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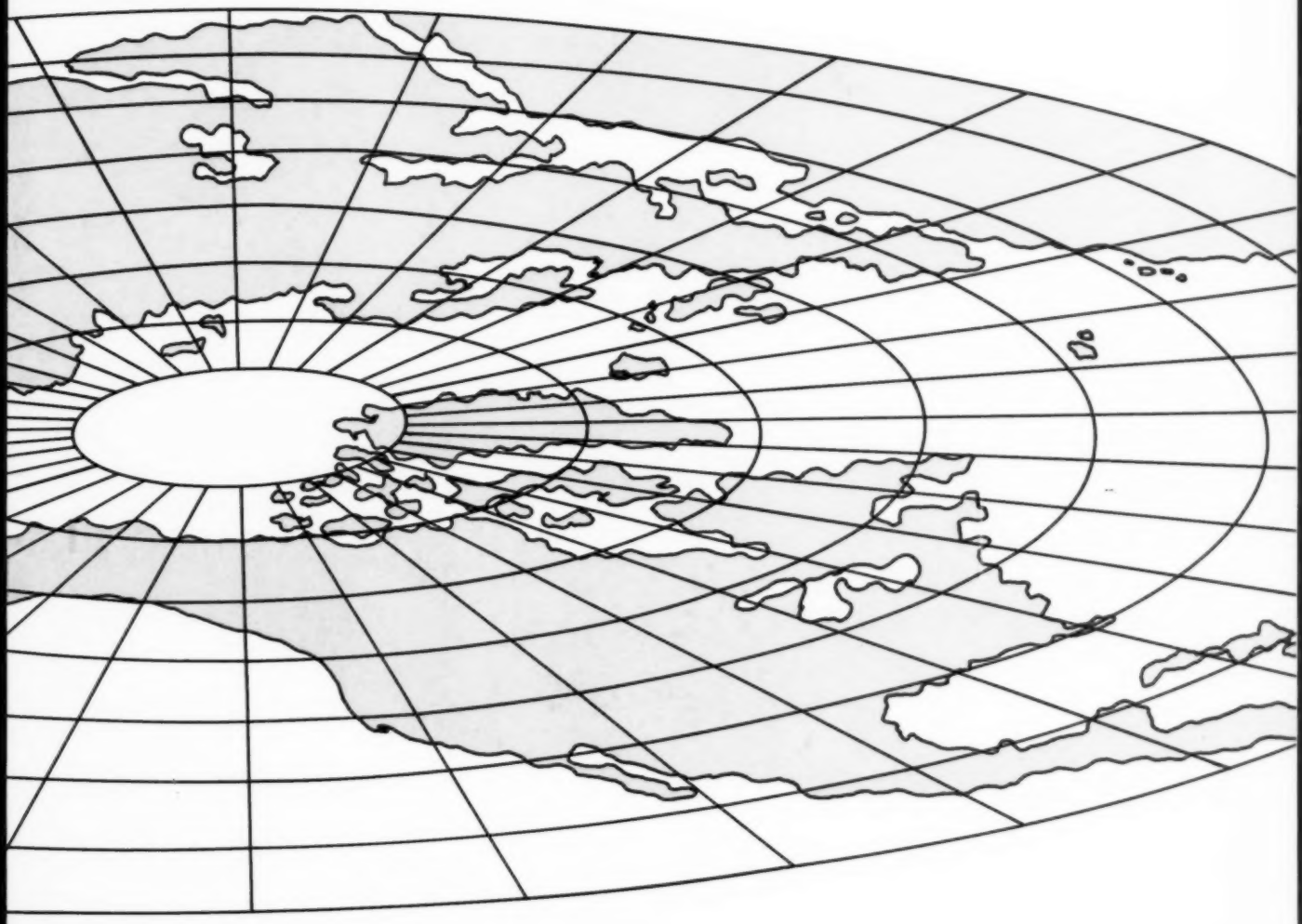

world trade outlook

International Trade Winds

Company News

CHEMICALS—National Distillers and Chemical Corp., New York, has licensed two Japanese companies to manufacture vinyl acetate from ethylene by its new vapor-phase process. The Japanese firms, Daikyowa Sekiyu Kagaku, K.K. and Denki Kagaku, K.K., are the first licensees for the new process, by which vinyl acetate is made at a significantly lower cost than by the conventional method.

AIRCRAFT—KLM Royal Dutch Airlines has placed an order with Boeing Corp., Seattle, for three of the firm's 747 model airliners. The high-capacity jets will be able to carry as many as 500 passengers, but KLM plans to seat 400, allowing more room for each passenger. The contract price for the three planes, including spare parts, is $84 million.

ALUMINUM PRODUCTS—Ekco Products, Inc., Wheeling, Ill., has established a new marketing subsidiary to supply aluminum foil containers to the bakery, frozen food, and institutional food service industries in the United Kingdom. The new company, Ekco Products, Inc., (U.K.), Ltd., will sell containers made by Ekco Packaging, a U.S. division of the parent firm, and its European partners in Denmark and Germany.

ELECTRONICS—Sylvania Argentina, S.A., a subsidiary of General Telephone & Electronics International, Inc., New York, has started construction work on a new 96,700 square foot plant in Buenos Aires. The new facility will permit consolidation and expansion of manufacturing operations for television picture tubes and lighting products now located in two other buildings. GT&E International has 29 other manufacturing facilities in Europe, Canada, Latin America, and the Far East.

HOTELS—Esso International Inc., New York, has opened is new Sindelfingen motor hotel in Stuttgart, Germany, just off the Karlsruhe-Munich autobahn. It is the 11th in Esso's growing chain of motor hotels in Sweden, Denmark, England, Italy, and Germany. Two more motor hotels are set to open later this year in Germany—in Heidelberg and Nuremberg.

Newsletter

British scientists can influence important sales decisions. Such a conclusion comes out of two shows at the London U.S. Trade Center. In April a high vacuum technology equipment exhibition drew 750 physicists, and exhibitors projected resulting sales for the next year at more than $1,000,-000. In June a scientific photography exhibition drew 1,000 scientists, and brought projected year-long sales of $712,900. Using a sophisticated market promotion program, the Trade Center has been bringing in the Ph.D.-level U.K. scientists who want the latest in lab equipment.

Scientific answers to industrial problems were the key, too, to a successful exhibition at the Stockholm U.S. Trade Center. For the first metal surface treating equipment show at the center, exhibitors had the help of discussions by Dr. Norman Hackerman of the University of Texas, a leading American authority on metal corrosion. Exhibitors reported eight agencies and distributorships under negotiation and 12-month sales projections of $447,000.

The world language for world business is almost here, says RCA president Robert Sarnoff. It's not Esperanto, Interlingua or Romanal, but computer-to-computer symbols. But some work still must be done so that an American computer can talk freely with a British, French or Japanese counterpart. Discussions that Sarnoff hopes will succeed are now underway at technical committee levels in the International Telecommunications Union for worldwide agreement on computer language symbols.

One communications device that leaps over language barriers is already here. IBM now has a version of its "Selectric" typewriter with a special keyboard that handles French and Spanish as well as English. The Selectric is designed around quick-change sphere-shaped typing elements that take the place of type bars on standard typewriters. The tri-lingual machine is aimed at use by company export divisions, international banks, publishing houses, embassies and language schools.

Share another tip with readers of the American Management Assn.'s monthly "Management Review," who are being reminded currently of the value of our May 22 "Switzerland: Sophisticated Market" issue. This special report tied together seven articles on Swiss retailing methods, distribution net, trade fairs and other items of interest to U.S. exporters.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for the detailed know-how and analysis in our regular news columns.

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in this issue

Once again INTERNATIONAL COMMERCE publishes its semi-annual roundup of economic conditions in all the world's major national markets for U.S. products. These concise one-page summaries of business conditions around the globe are prepared by the same analysts of the Commerce Department's Bureau of International Commerce who also develop, review and submit the articles on overseas trade conditions which appear in this magazine throughout the year. The special section begins on page 2.

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Special Report

World Trade Outlook, Pages 2-60

U.S. trade prospects	2	Yugoslavia	32
Canada	6	**Far East**	33
Latin America	7	Australia	34
Argentina	8	Hong Kong	35
Caribbean	9	Indonesia	36
Brazil	10	Japan	37
CACM	11	Korea	38
Chile	12	Malaysia	39
Colombia	13	New Zealand	40
Mexico	14	Philippines	41
Peru	15	Singapore	42
Venezuela	16	Taiwan	43
Western Europe	17	Thailand	44
Austria	18	**Near East-South Asia**	45
Belgium	19	India	46
Denmark	20	Iran	47
Finland	21	Pakistan	48
France	22	Turkey	49
Germany	23	**Africa**	50
Greece	24	Congo	51
Italy	25	East Africa	52
Netherlands	26	Ethiopia	53
Norway	27	Ivory Coast	54
Spain	28	Liberia	55
Sweden	29	Morocco	56
Switzerland	30	Nigeria	57
United Kingdom	31	South Africa	58

MISCELLANEOUS—First steps taken toward Latin Common Market 61
Near East trade continues but business outlook remains uncertain 59
FOREIGN GOV'T ACTIONS—Japan publishes new investment policy 64
INVESTMENT OPPORTUNITIES—More Turkish proposals listed 66
U.S. licensees offered rights to make Finnish and German products 67
WORLD TRADE OPPORTUNITIES—Australia wants bids on terminal 70
New Zealand calls for microwave television supplies 79
NEW BOOKS AND REPORTS—Eleven new customs journals published 80

Trade with world to set new records this year

Export pace likely to slow in coming months, however; imports may gain slightly

Though prospects are good for continued gains in U.S. exports during the remainder of 1967, the vigorous expansion of the first five months may give way to a more restrained pace later this year. For 1967 as a whole, exports are expected to show a considerable advance over the previous peak in 1966, but the 10% increase recorded last year is unlikely to be repeated.

Imports will probably continue sluggish in the next few months, though some recovery could be experienced toward the end of the year. The exceptional 20% rise registered in our foreign purchases in 1966 will be reduced considerably this year, possibly by as much as three-fourths.

In a sharp reversal of the deterioration in the past two years, our gross export surplus should show a substantial improvement over the $3.8 billion total achieved in 1966.

Essential to the continued growth of U.S. exports for the rest of the year is an anticipated sharp upturn in shipments of agricultural commodities. Even if realized, however, farm exports are expected to fall a little below the $7 billion total achieved in 1966.

May level off

The strengthening in agricultural shipments will offset a probable leveling off in sales of nonagricultural products in the months ahead. Averaging $2,053 million in the first five months, 9% higher than in the second half of 1966, nonagricultural shipments have been the driving force behind the U.S. export expansion so far this year. Much of this healthy increase reflected the high level of machinery exports on foreign orders placed earlier, the further expansion of shipments of automotive products to Canada, and the stepped-up pace of aircraft sales.

Although some deceleration is expected in the rate of growth of these exports in later months, the strong gains registered in the early months will be sufficient to insure an expansion, probably as large as that recorded in 1966, of nonagricultural exports for the year 1967. A sizable increase in AID shipments is expected to bolster the export total.

The strong pace of U.S. exports to Western Europe and Canada early this year seems likely to slacken in the months ahead. For 1967, our exports to these countries, as well as to most of the developing areas, are expected to show a more moderate advance than last year. U.S. sales to Japan should match the 15% rate of advance in 1966, while exports to Australia and the Republic of South Africa will rise again following sharp declines in 1966.

Machinery sales strong

The continued advance in nonagricultural shipments this year will reflect primarily the brisk export pace for machinery and transport equipment. The rate of advance in sales of some manufactured products, notably chemicals, will slacken. Deliveries of machinery this year may be nearly as expansive as in 1966. After showing considerable strength in the first five months, however, sales of these products may slow somewhat in the months ahead. Export orders have increased by only 4% over the second half level last year. In the absence of a sharp rise in export orders in the next month or so, maintenance of the fast export pace for the rest of the year would be dependent on sharper reductions in the order backlog than have occurred in recent months.

Following substantial gains last year, further expansion is expected in shipments of computers throughout 1967. Demand in the industrialized countries of Western Europe, Canada, and Japan continues to grow rapidly for our high-speed data processing equipment and industrial control apparatus. After a small improvement in 1966, deliveries of agricultural machinery and tractors, mainly to Canada, are likely to register a more substantial gain this year.

Foreign demand for our technologically advanced cooling equipment should remain firm in the months ahead in most of our major markets, but the 1967 rate of increase will probably be below that of last year. Exports of our specialized and large capacity pumping equipment, a strong gainer in 1966, have slowed down considerably so far this year. Substantial improvement is likely in sales of compressors for projects in the oil, gas, and synthetic fertilizer industries abroad. The anticipated rise in our aircraft sales and

World trade outlook

Current economic conditions and the outlook for U.S. trade in the majority of countries with which U.S. firms do business are summarized on pages 6-59.

The reports, written by country desk officers in the Office of International Regional Economics of the Bureau of International Commerce (BIC), are based on up-to-the-minute reports from U.S. Foreign Service posts, international economic organizations, and other sources.

Accompanying most of the articles are data showing the value of each country's total imports and exports, and U.S. share of this trade, in 1966. Line charts indicate the value of each country's imports and exports, 1960-66.

To show U.S. foreign trade with a few countries from which recent statistics are not available, Bureau of the Census data have been used.

Data on U.S. trade with selected countries not covered in separate articles are presented in a table following the final country report.

The table was prepared by BIC's International Trade Analysis Division from official statistics of the listed countries and the International Monetary Fund's *International Financial Statistics*.

the stimulus of the duty-free U.S.-Canadian automotive agreement will provide a further push to exports of engines and parts in the months ahead.

In January-May, electrical apparatus sales registered a strong 15% gain over the total in the same months of 1966. Foreign demand is to remain firm for our navigational and detection devices. Shipments of telecommunication apparatus, mainly TV and radio broadcasting equipment, are likely to continue moving at a brisk pace in the second half of the year.

Transport sales quicken

Larger gains will be recorded in U.S. exports of transport equipment than in 1966. Increased shipments of autos, trucks, and parts (including engines) are likely, mostly to Canada. Sales of civilian aircraft have advanced a bit more rapidly than in 1966. With foreign airlines expanding their carrying capacity in order to exploit fast-growing markets, high U.S. sales should continue for the rest of the year.

Shipments of railway vehicles, primarily electric locomotives, rose by 40% over last year due to increased shipments primarily to Brazil and Korea, under AID and Eximbank financing. These exports are expected to drop sharply in the months ahead, however, so that 1967 may show no change from last year.

Chemical shipments ease

Chemical exports, which account for about an eighth of our nonagricultural shipments, will rise somewhat less rapidly than in 1966 when a strong advance of 11% was recorded. Continued foreign demand and an improved supply situation in the United States will nevertheless lead to a sizable expansion in the value of these products send abroad. Gains are expected in various basic chemicals, medicinals, and fertilizers.

Higher requirements from the booming Japanese steel industry lifted U.S. exports of iron and steel scrap by two-thirds through May. With that market expected to remain strong, our exports of these supplies should show a considerable advance this year.

Reversal in farm exports

Reduced shipments of U.S. wheat will be the major depressing factor in the weakening of our exports of agricultural commodities this year. The fall-off in the movement of wheat, underway since last fall, will reflect not only increased supplies in some of the traditional exporting countries, primarily Argentina and Australia, but also improved crops in some of the importing countries. Commercial sales will therefore probably be lower this year. No significant change in shipments under PL-480 programs is expected despite reduced deliveries to India.

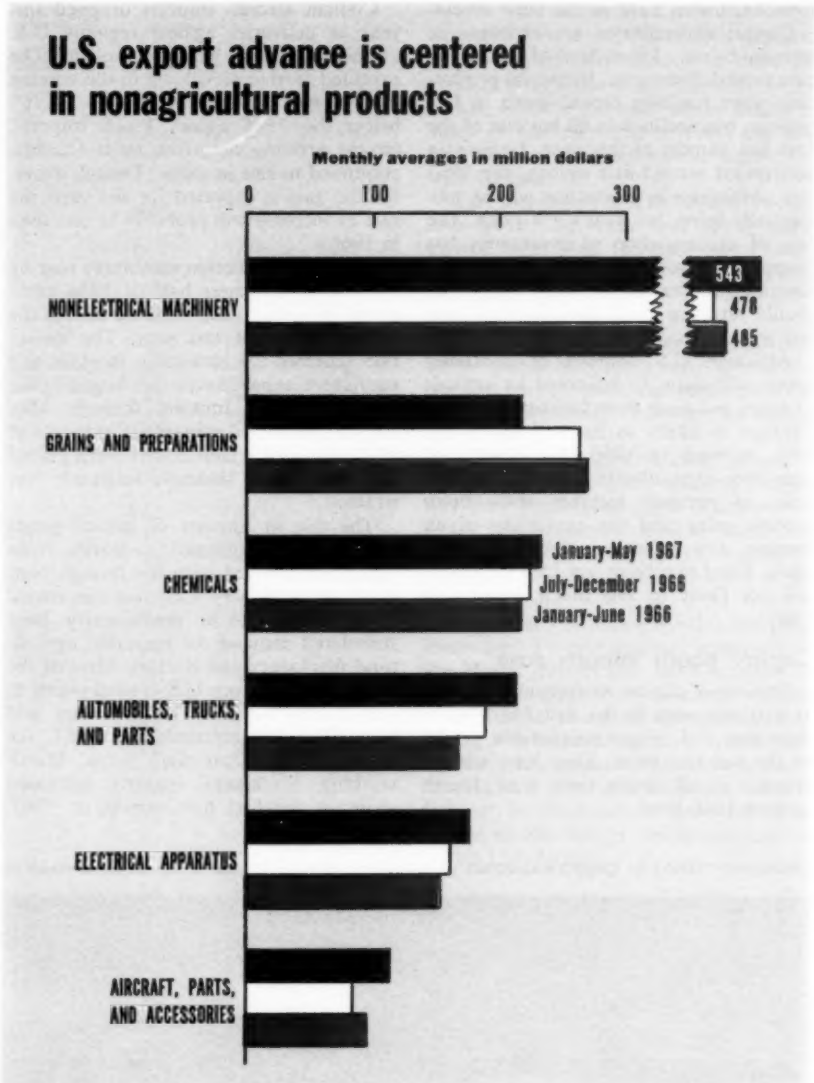
Higher U.S. prices for corn, intensified foreign competition, and the increased availability abroad of other types of feed have caused a steep drop in exports of this grain so far this year. For 1967 as a whole, corn exports will remain below their high 1966 total.

In contrast, cotton and rice shipments are both expected to gain significantly over last year's values. Lower export prices under the new U.S. cotton policy introduced last August, high world consumption, and reduced production abroad led to a spurt of two-thirds in our exports of cotton over the January-May 1966 level. U.S. rice exports were higher by 60%, mainly as a result of large shipments to Viet-Nam.

Exports of soybeans will also advance, but not at as rapid a rate as last year's 17% gain. Sales of this commodity have slackened due to larger foreign supplies of competing products. The rise of 6% so far this year was mainly in greater sales to Spain, Taiwan, and Israel.

Slower economy dampens imports

U.S. imports, which chalked up a spectacular 20% increase in 1966, have grown at a much more moderate rate this year. The principal propelling forces of the



1966 expansion have so far been absent.

Capital expenditures are expected to increase by only 3% instead of the 16.7% gain recorded last year. Industrial production, after reaching record levels in December, has declined in all but one of the first five months of this year. Despite an anticipated second-half upturn, the 1967 rate of increase in production will be substantially below last year's 9% jump. The rate of accumulation of inventories has dropped sharply. Thus, imports of industrial supplies and capital equipment should advance at far slower rates than last year.

Although U.S. imports of consumer goods will again be bolstered by arrivals of autos and parts from Canada, the 1967 advance is likely to be well below the 35% increase in 1966. The growth of consumer expenditures may slacken this year, as personal incomes show more modest gains and the possibility of an income tax increase affects spending plans. Food purchases, up 15% last year, are not likely to rise much, if any, in 1967.

Capital goods imports ease

Imports of capital equipment advanced at a slower pace in the first five months than they did in any comparable period of the last two years. They have not increased at all above their peak fourth quarter 1966 level.

Civilian aircraft imports dropped this year as deliveries against regional U.S. airline orders were largely completed. The expected further slowdown in the coming months may reduce the total for 1967 below the 1966 value. Truck imports, largely arriving duty-free from Canada, continued to rise in value. Though a substantial gain is expected for the year, the rate of increase will probably be less than in 1966.

Purchases of foreign machinery rose by 10% over the latter half of 1966 compared to a 16% gain from the first to the second halves of last year. The slower rate reflected the slowdown in plant and equipment expenditures that began in the fourth quarter. Imports through May probably included substantial amounts of machinery for which orders were placed last year when domestic capacity was strained.

The rise in imports of capital goods through May stemmed primarily from continued demand here for foreign nonelectrical machinery. Last year's increased wheat allotments in this country have stimulated demand for imported agricultural machinery and tractors. Most of the advance came from U.S.-owned plants in Canada in the form of combines and parts. For the remainder of 1967, the outlook is for continued gains. Metalworking machinery imports increased again in the first five months of 1967, reflecting large backlogs remaining in American plants and competitive prices for foreign equipment. These purchases are also expected to remain strong during the third quarter, with a decline beginning late in the year.

Further substantial advances are anticipated in arrivals of foreign office machines, mostly typewriters, adding machines, and other conventional types of bookkeeping equipment.

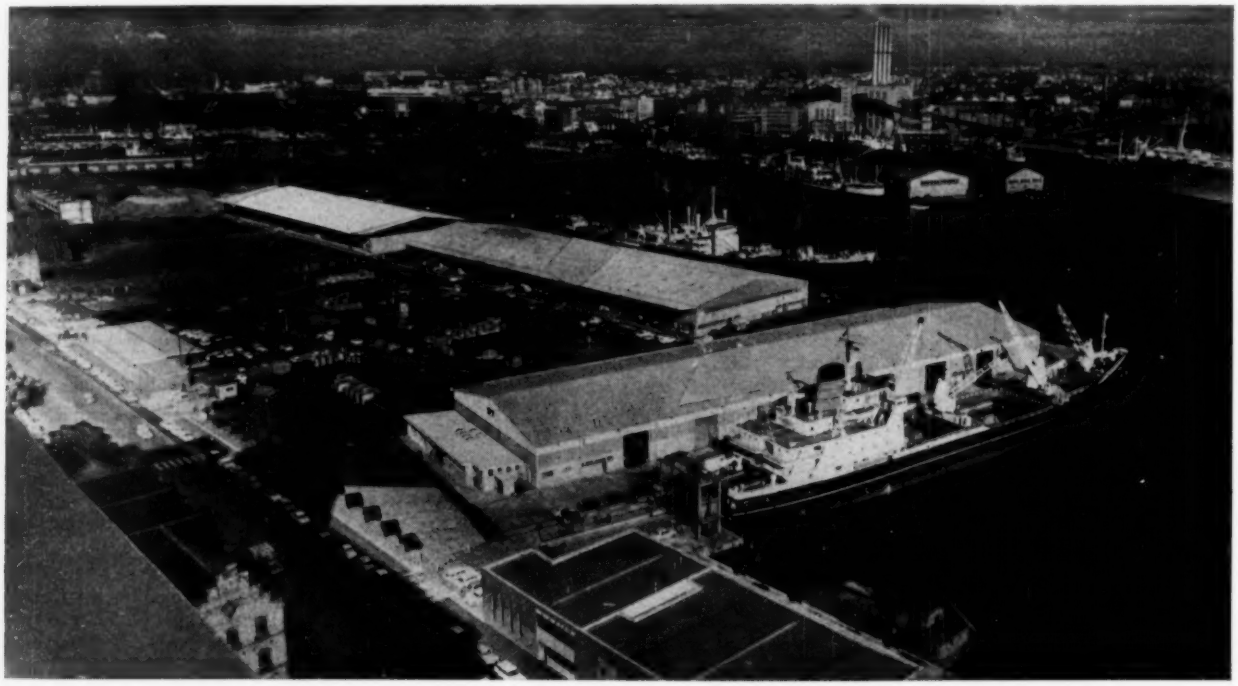
Industrial supplies fall off

Seasonable declines and reduced demand for a number of crude and processed materials caused imports of industrial supplies through May to fall slightly from the last half level. Since the September 1966 quarter, these purchases have gradually trended downward.

Increased domestic capacity, a drawdown of large inventories, and a leveling in consumption will prevent any significant rise in U.S. newsprint imports in 1967. Through May these purchases showed a drop in quantity but, because of some rise in price, the value was not far below 1966 levels.

Imports of unmanufactured wool fell precipitately this year. Purchases of wool have been declining since mid-1966 as a consequence of reduced mill activity. Some pickup is expected, however, so that for 1967 as a whole imports may show only a slight decline from last year.

CHANGING TRENDS IN CARGO HANDLING worldwide are reflected in these roll-on roll-off terminals at Darling Harbor, Sydney, Australia, opened last month



U.S. imports of many products slowing down

Monthly averages in million dollars

	Jan.-June 1966	July-Dec. 1966	Jan.-May 1967
Industrial supplies and materials, total	990	1,026	992
Petroleum and products	178	176	188
Textile fabrics	77	74	72
Newsprint	73	76	71
Industrial and agricultural chemicals	47	48	51
Iron and steel-mill products	85	112	100
Ores and metal scrap	72	98	71
Copper	42	60	50
Nonferrous base metals, other	73	70	68
Capital equipment, including trucks and buses, total	176	211	227
Machinery	150	174	192
Trucks and buses, including bodies and chassis	10	19	23
Civilian aircraft and parts	16	19	12
Consumer goods, including automobiles and parts, total	428	511	503
New automobiles	97	109	137
Automotive parts and engines	36	44	49
Clothing	43	59	44
Gem diamonds	31	32	31
Radio and TV receivers	16	29	21
Food and beverages, total	365	385	372
Coffee	98	82	86
Meat and preparations	48	52	48
Sugar	33	51	42
Fish	44	48	41
Whiskey	24	34	24
All other commodities	79	88	93

Increased U.S. production and lower domestic requirements as a result of a drop in the output of durables are expected to depress the value of iron ore imports below 1966 levels. Copper imports dropped from their high second half 1966 value as there was some falloff both in price and quantity. Largely due to an easing in U.S. demand, aluminum and other nonferrous metal imports decreased in the first five months.

Though imports of foreign steel in January-May were below the final half of the previous year, demand is expected to remain strong in the coming months. A substantial advance—greater than the 4% increase last year—is likely for 1967. This will again raise the ratio of imports to U.S. consumption, which had advanced to 11% last year.

Although increased arrivals of foreign chemicals are expected, the rate of gain will be far below the 24% jump in 1966. The slower import pace reflects both the leveling off of demand and easing of last year's tight supply situation.

Consumer imports slacken

After strong rises in 1965 and 1966, imports of automobiles and other consumer goods leveled off slightly in the first five months below the high July-December level, partly for seasonal reasons and partly because of reduced demand. Though expected to advance in value again in 1967, the rate of gain should be well below that of the last two years.

The strong advance in new car arrivals in the final quarter continued in January-March, then eased in the following two months. Through May, the value of new car arrivals was two-fifths above the first half 1966 average. Nearly all of this gain was in new models from U.S. subsidiaries in Canada. Continued rationalization of production in North America is expected to provide further stimulus to these arrivals through the year. The rate of increase, however, should not be nearly as steep as that recorded in 1966, the first full year of the automotive agreement with Canada.

Cars imported from Japan and Sweden also posted advances, but fewer autos arrived from West Germany and France. The net increase in imports from countries other than Canada is expected to be relatively small this year.

So far, imports of other types of consumer goods have been only 7% above the first half of 1966, and well below the second half, which, however, is always seasonally high.

Purchases of motorcycles, primarily from Japan, have been reduced sharply this year because of high dealer inventories and weakened demand. Following several years of rapid growth, imports of motorcycles are expected to show a decline in 1967.

After nearly doubling in value last year, imports of TV sets declined seasonally in the March quarter and have dropped to lower levels since then. As a result of the rising number of color sets imported from Japan, a substantial increase is expected for the year, however, as imports climb later in the year. A sizable gain also is forecast in purchases of footwear from abroad as low foreign prices continue to attract U.S. buyers.

Food imports to level off

In contrast to the large 15% increase in purchases of foreign foods and beverages last year, imports are not expected to expand.

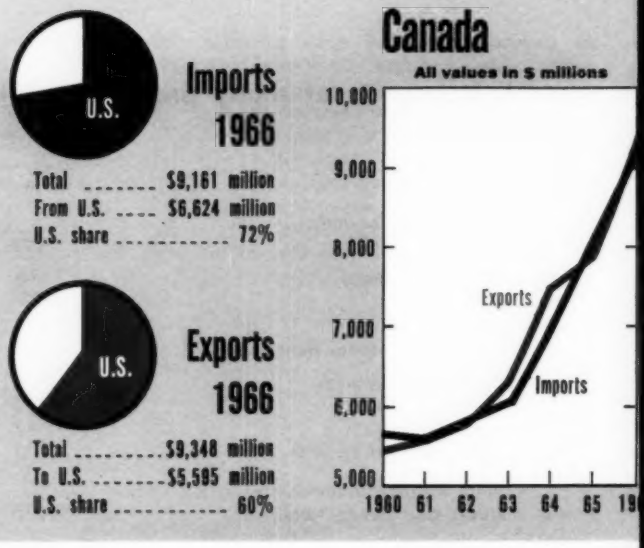
With per capita consumption leveling off, no significant change is anticipated in the value of coffee imports. Some pickup is likely in the coming months, however, offsetting the drop so far this year. Imports of meat and preparations which rose by two-fifths last year, will show a much smaller increase in 1967. Foreign meat arrivals are expected to be below the quotas set up for 1967 by the Secretary of Agriculture under the present law. Despite adequate stocks on hand and a probable smaller quantity of imports, higher prices are expected to cause the value of cocoa arrivals to rise above the 1966 total.

This article and accompanying table and chart were prepared by the International Trade Analysis Division of the Commerce Department's Bureau of International Commerce.

Canada

U.S.-Canada trade will grow to new high despite cooling off of investment boom

By BENJAMIN STEIN
European Division, BIC



Trade between the United States and Canada, already very large, will continue to grow in 1967. Its growth, however, will not be at the breathtaking pace of 1966, when Canadian purchases from the United States grew by more than 17% and sales to the United States increased by almost 25%. A cooling-off in the rate of growth of trade may bring it down to the 10% range for the whole year 1967.

The economic boom which has been dominating North America since 1961 reached extraordinary proportions in 1965 and 1966, especially in expansion of the capital stock. Effects of those high points were still being felt in the 1967 first quarter U.S.-Canada trade. As the pace begins to moderate and economic growth returns to more manageable proportions, the North American trade will also slacken.

Capital goods sales, which represent a huge share of U.S. exports to Canada, will exceed 1966 levels but will not match that year's striking rate of increase. Consumer goods volume, while still very high, may not be able to take the place of the formerly skyrocketing machinery sector.

The slowdown in retail automobile sales also means that the still burgeoning U.S.-Canada auto and parts trade—stimulated by the Automotive Agreement of 1965—will not mushroom quite so dramatically in the rest of 1967.

Canada's growth will not be slow by absolute standards. The Canadian (Federal) budget brought out in June anticipates a rise in the Gross National Product of 6½-7% to about C$62 billion (U.S. $57.5 billion) in 1967 with a price rise in the neighborhood of 3%. This compares with a 10.9% money, 5.9% real growth rate for 1966.

Housing, which has been the stepchild of the North American boom, is expected to pick up sharply in the summer and fall of 1967. The rise in housing starts will come about largely as the result of an easing in mortgage conditions, which will be caused by the falling off of demand for lendable funds for farm, extractive, and manufacturing machinery. Investment in 1967 is expected to rise by only 1.4% after a 16.8% increase in 1966.

Businessmen seem to be showing caution for the balance of 1967, but are bullish about the next several years in general. A Royal Commission report suggesting broad changes in the Canadian tax system, especially as it applies to depletion allowances for mining, has injected uncertainty into some circles.

Productivity worry

The general worry of Canadian business and government is the fear of excessively rapid growth of wages relative to productivity, leading to what may be, in the years ahead, an uncompetitive structure of prices. In Canada, a country to which trade is essential to maintaining its high standard of living, this is of special urgency. In 1966 wage gains of 20-30% were not uncommon.

In the last few years, exports have been soaring despite the worries about the future—from $5,424 million in 1960 to $9,348 million in 1966, with a 17.7% rise in 1966 alone. Imports have also been rising rapidly, 14.4% in 1966 alone, to a level of $9,161 million in 1966.

The U.S. share of Canadian imports has also been going up slowly in the last few years, until in 1966 it was 72.3%. Perhaps the single factor most responsible for the great upturn in U.S.-Canada trade has been the Auto Agreement of 1965 which allowed duty-free entrance of automobiles and original equipment parts. Taking all automotive trade together it is now the largest single export item from Canada, exceeding even newsprint. It is also an extremely large U.S. export item.

CHIEF CANADIAN IMPORTS FROM U.S.: industrial and farm machinery, automobiles and parts, electrical equipment, chemicals, aircraft and parts, coal, cotton, fresh fruits and vegetables. CHIEF CANADIAN EXPORTS TO U.S.: newsprint, automobiles and parts, lumber, crude petroleum, wood pulp, aluminum, nickel, frozen fish, whiskey, iron ore, natural gas.

Canada is a member of the General Agreement on Tariffs and Trade, and participated in the Kennedy Round of tariff negotiations at Geneva. Barring a drastic downturn in business conditions, the tariff reductions agreed to in Geneva will stimulate trade still more.

As the capital goods boom slows down, items closer to the final user may assume greater importance. The automobile trade will certainly continue brisk. Some observers see a large new market for U.S. educational products. Other lines which are growing rapidly include plastics and resins, office machines, and telecommunications equipment.

EXPO: Payments key for 1967?

Canada's merchandise balance of payments with the world was in surplus for 1966, but her overall payments exceeded her overall receipts. This was mainly because of payments, primarily to U.S. investors, for interest and dividends.

The huge numbers of tourists flocking to EXPO 67 may build up such a large "travel" surplus for Canada this year that her payments deficit will be substantially reduced.

The gigantic wheat exports levels of 1966-67 are not likely to be reached this year, but Canada's position as the world's second wheat exporter is not likely to be shaken. Large continuing contracts, especially in the Far East, will be a major source of foreign exchange.

Latin growth benefits U.S.

Area's imports of U.S. goods may top $5 billion for first time this year

By BERNARD J. CAHILL
Deputy Director,
American Republics Division, BIC

U.S. exports to the Latin American area may well top $5 billion in 1967, an all-time high. Last year U.S. sales to the region totaled close to $4.8 billion and in 1965 were about $4.2 billion.

The rise in U.S. exports expected this year reflects continuing economic growth in most of the major trading countries of the region, a substantial level of credits from international agencies and the United States, and a greater emphasis on industrial development.

An atmosphere of business confidence in Mexico, a substantial rise in the country's gross national product, and a further expansion of industry point to increased opportunities for sales of U.S. goods in this market. The Mexican climate for private capital investment is good. The required Mexican participation in new enterprises is not believed to be a serious obstacle to U.S. participation in many types of attractive ventures.

Brazil's imports rose substantially in 1966, with the U.S. sharing to an important degree in this increased trade. U.S. exporters can look to further increases in 1967. Brazil's new administration, which took office in March, plans to continue the basic economic program of its predecessor which emphasized the role of private enterprise in economic development.

Venezuela will probably import a greater amount of products from the U.S. in 1967. A growing trend toward greater demands for more sophisticated products and capital goods should help the U.S. increase its relative share of the Venezuelan market.

Liberalized trade

Argentina offers prospects for expanded sales during the present year. Recently enacted trade liberalization measures and improved government-business relationships contrast with the depressed import market conditions that have existed in Argentina for several years.

Import liberalization moves, a much improved balance of payments position, and major new foreign investments indicate a rise in demand for imported goods in Chile. As is the general case among the larger countries in Latin America, raw materials and capital goods have the best possibilities for sales in the Chilean market.

Colombia's severe financial problems and restrictive import policy indicate a drop in total imports in 1967. A recently negotiated AID loan will provied a means for financing imports of certain products from the United States. Hopefully, Colombia's foreign exchange position will improve in the months ahead and will allow some relaxation in trade restrictions.

Balance of payments problems, government budgetary deficits and inflationary pressures combine to dampen the business outlook in Peru. A moderate increase in the level of U.S. exports to Peru was registered in the early months of 1967, probably due in a large measure to advance buying in anticipation of import duty increases that became effective in June.

Central American Common Market (CACM) trade continued its steady rise through 1966. Some further increase can be expected in 1967, with the U.S. share of 40% of total CACM imports remaining about the same.

The Caribbean provided a market for over half a billion dollars in U.S. products in 1966. The level of U.S. shipments to this area is expected to be close to $600 million in 1967. The leading U.S. customers are the Bahamas, Jamaica, Netherlands Antilles, Trinidad-Tobago and Bermuda. Foods, machinery, transport equipment and a variety of consumer goods are the principal product categories of importance in U.S. export trade in the Caribbean.

Imports of the Dominican Republic reached almost $160 million during 1966, with close to 50% from the United States. Since the peaceful election of 1966, the country has achieved a growing degree of political stability, but the Government is faced with difficult fiscal and economic problems. The outlook is clouded by the rising trend in imports, despite efforts to curtail entry of nonessentials.

A modest rise in U.S. exports to Ecuador over the $83 million of 1966 may be expected in 1967. Paraguay offers a small market for U.S. goods at a level of about $19 million. Uruguay's import possibilities continue to be restricted by foreign exchange shortages and internal financial problems.

Some increased private investment interest in Bolivia may result in added import requirements. Haiti remains a country with very limited trade prospects.

Several important Department of Commerce trade promotion projects are scheduled for Latin America in 1967. A U.S. exhibition of food processing and packaging equipment will be held in Mexico City in August. Automotive servicing equipment, farm and metal-working machinery and chemical industry equipment will be featured in the U.S. commercial exhibit at Chile's Santiago International Trade Fair in October.

The Commerce exhibition of mining, construction and metalworking equipment scheduled for the Pacific International Trade Fair in Lima in October has met with enthusiastic response from U.S. firms.

A highly successful Commerce Department-sponsored Trade and Investment Mission visited Brazil in April. Trade and investment opportunities developed by the Mission exceeded expectations. An industry-sponsored railroad equipment trade mission was organized in June to follow up on leads developed by the group.

Summit meeting

Earlier this year the American Presidents met at Punta del Este, Uruguay, to consider the creation of a Latin American Common Market. This goal is to be achieved initially by working through the two existing economic integration organizations—the Latin American Free Trade Association (LAFTA) and the Central American Common Market (CACM), both created in 1960.

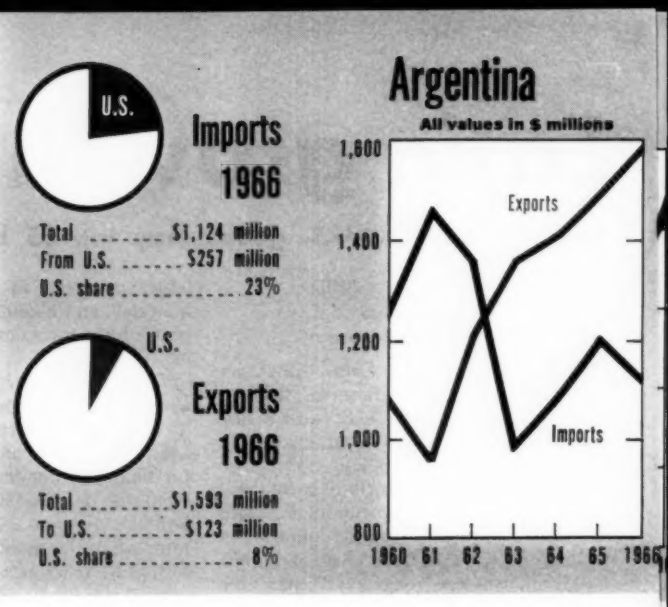
The program developed at the Punta del Este Summit meeting included a number of objectives of particular interest to U.S. business. They are related to the general Common Market objective and call for expansion of industry to include export product diversification, agricultural development, a program of intraregional transportation and other projects, and the general improvement of trade conditions affecting the area.

The expanded aproaches for developing the economies of the Latin American countries that will follow from the Punta del Este Declaration will offer U.S. business opportunities to participate in the growth of the region.

Argentina

Imports, including U.S., expected to rise; business in accord with government goals

By GEORGE POLLARD
American Republics Division, BIC



Argentina's total imports in 1967 should exceed the relatively low levels of 1966 and 1965. Argentine 1967 imports from the U.S. should be above the 1966 and 1965 figures of $257 and $273 million, respectively, and should account for a larger share of Argentina's total imports than the 23% recorded for each of the previous two years.

The foregoing outlook is supported by Argentina's prospective export returns and availabilities of external financing, e.g., $400 million credit support obtained this year from the IMF, the U.S. Treasury Department and commercial banks in the United States, Western Europe, Canada, and Japan.

Other favorable indications are: (a) a decrease in domestic interest rates; (b) an increase of over $200 million in Central Bank foreign exchange holdings since the considerable March devaluation of the peso; (c) prospects for increased returns from meat exports; (d) significant reductions in import duties and (e) in restrictive payment terms required on imports of capital goods.

Argentine businessmen have responded to the Government's 1967 actions and goal announcements with a resurgence of confidence. There is growing interest abroad in trade with and investments in Argentina. Argentine business agrees, at least tacitly, to Government requests for no unjustified price increases. Inventory replenishment and deferred capital improvements appear under way. Some potentialities for improvement may not be realized if the government delays or fails to take some of the planned favorable actions.

U.S. share of imports

The competitive position of U.S. products in the Argentine market appears excellent for high quality and high performance materials and equipment carrying the benefits of advanced technology. Analyses of Argentina's external trade during the first half of the 1960's indicate that in years when there are relatively greater imports of basic industrial materials (including crude oil) and foodstuffs, a relatively lesser share of total imports come from the United States (and from other highly industrialized countries). The U.S. share tends to increase when there is comparatively greater emphasis on imports of advanced manufactures such as machinery and vehicles. Argentine current import intentions appear to favor such manufactures more than in the last two years. Completed deliveries of large commercial aircraft help swell the value of Argentina's 1967 imports from the U.S.

Product lines for which prospects are good for U.S. exports to Argentina include gear for electronic and atomic power operations and various other types of specialized machinery, e.g., packaging and food processing equipment.

Tariffs and trade regulations

Argentine tariffs were lowered, on the average, from 119% to 62% to partially offset the increased costs of imports resulting from the 40% March devaluation to a new rate of 350 pesos to the dollar.

Import duties range from zero to 140% in contrast to the previous range for surcharges to over 300%. Argentina's list of prohibited imports was drastically reduced this year to a few items (automobiles, trucks, tractors, etc.) produced under special Argentine development schemes.

Although most import suspensions were lifted and duties were scaled down, Argentina continues the import control practice of using fixed "index prices" for customs evaluation of some imports. Import charges are either waived or greatly reduced on significant quantities of goods imported for the accounts of public services and undertakings and of certain specified private sectors.

CHIEF ARGENTINE IMPORTS FROM U.S.: machinery, chemicals, aircraft, motor vehicles and parts, iron and steel. CHIEF ARGENTINE EXPORTS TO U.S.: wool, canned meat, hides and skins, leather, fuel oil, casein, sugar, quebracho, horses.

The Argentine Government has indicated that, as the balance of payments permits, the prior deposit required on imports will be brought down from the general level of 40% of the c. and f. value. Application of this requirement has been steadily narrowed to only a minor portion of imports.

Major actions this year by the Argentine Government support its stated intentions to transform the country's economic structure and to get under way an extending process of all-around development to include maximum expansion of Argentina's external trade. Concomitant goals include maximum feasible freedom for external payments and foreign exchange movements and for transfers of capital and services.

Seeking investment in priority endeavors of both internal savings and foreign capital, the Government sees local and foreign capital being treated alike "in accordance with traditional non-discriminatory practice." Bilateral and multilateral guarantees against worrisome risks are promised.

Enterprises being operated by the State which can better be conducted by private enterprise are to be transferred to the latter wherever practicable. A recent decree provides for toll charges as a means of financing construction and operation of facilities for public use.

The Joint Argentine-U.S. Trade and Economic Committee held its second meeting in Buenos Aires early this month. These meetings are part of continuing efforts of the two governments to improve commercial and economic relations to the mutual benefit of both countries.

The Caribbean

U.S. imports have been increasing yearly; foodstuffs, machinery are in demand

By FREDERIC G. KAYSER
American Republics Division, BIC

It may surprise many that the Caribbean market, too often overlooked, absorbed more than a half billion dollars in U.S. exports in 1966, and is expected to buy nearly $600,000,000 worth of American goods in 1967. Furthermore, U.S. exports to the area have been increasing by approximately 12% per annum the last five years.

The surging Caribbean market area is comprised of several recently independent nations and those territories which still maintain at least a partial dependency on Great Britain, the Netherlands or France. It includes not only numerous Caribbean Islands, but Guyana, Surinam and French Guiana on the northeast coast of South America, plus Bermuda to the north. The leading U.S. customers are the Bahamas, Jamaica, Netherlands Antilles, Trinidad-Tobago and Bermuda, in that order. Together, they accounted for $427 million out of a total $536 million in U.S. goods sold in the area last year, and will buy an estimated $437 million in American exports in 1967.

The Bahamas

The Bahamas, with a growing tourist industry and increased investment interest from U.S. companies, will continue to provide a growing market for a great range of foodstuffs, especially beef and veal, for which these islands are particularly dependent on U.S. sources.

Construction of resort facilities, new factories, especially around Freeport (Grand Bahama Island), houses, schools, and roads will call for more construction machinery, building materials, automotive equipment, and finished structural parts of steel and aluminum. Softwoods, organic chemicals, agricultural tractors and footwear experienced large sales in 1966 and can be expected to repeat.

The Netherlands Antilles

Another excellent market for U.S. foodstuffs is the Netherlands Antilles, which has recently been enjoying a booming tourist trade. Coupled with a relatively high per capita income and almost no local agricultural production, this clearly spells a growing demand for almost any U.S. food product competitive in price. Dairy products, poultry, including broilers and turkeys, rabbits, goats, and animal feeds lead the list.

Trinidad-Tobago

Trinidad-Tobago and Jamaica have both made strides toward self-sufficiency in food production and often restrict imports competing with local products. Both present some interesting trade opportunities, however. A good market exists in Trinidad for turkeys and pork, although the country is self-sufficient in broilers, eggs and citrus. Trinidad also needs 7-8,000 breeding sows to complete building her pork industry. While the Government plans to import 9,000 Canadian dairy cattle this year with the help of Canadian financing, there is still private sector demand for around 18,000 additional head. A good market also exists for wheat, margerine and animal feeds.

As a market for American manufactured goods, Trinidad will continue to rely heavily on the United States for machinery, transport equipment, appliances, parts and many other metal manufactures the island cannot produce. However, the expanding local production of light consumer goods, particularly textiles, will limit this market, and the list of import licenses required on these items is growing at a fast pace.

Jamaica

In Jamaica, the drive toward self-reliance in food production should lead to an increased market for U.S. agricultural machinery, implements and chemicals (except fertilizer which is being locally produced). Because of the country's plans for industrial expansion, demand for capital equipment and industrial raw materials, building materials and builders' hardware should rise markedly, although imports of many consumer goods such as textiles, kitchenware, and leather goods will find little demand and will continue to be restricted. Other items for which demand should continue are meats, cereals and grains, animal foodstuffs, appliances; parts, paper products.

Bermuda

Bermuda is a consistently good market for U.S. foodstuffs, particularly meat, dairy products, poultry, fruit and vegetables of all types and for organic chemicals, vitamins, antibiotics, hormones, medicinals and paint. Feedstuffs for animals, prepared foods and tobacco products sell very well. In manufactured goods, the greatest demand is for machinery, appliances and parts, textile made-up articles, paper products, clothes and accessories.

Other area economies

Barbados, having recently attained independence, is applying for OAS membership and gives the impression it will turn more toward the Western Hemisphere and less to the United Kingdom in future trading. This shift will receive strong impetus if Britain joins the EEC. Barbados is politically stable, has a large labor force, developed infra-structure, and is centrally located with good transportation connections throughout the Eastern Caribbean.

Antigua, key island of the Leeward group, signed an agreement May 16 for U.S. financing for a deep water harbor, which will expand trade opportunities with the Leewards considerably. Construction is scheduled to begin this month and should be completed in Dec. 1968.

Guyana, which gained independence just over a year ago, is receiving substantial loans from the U.S. Agency for International Development. The monies thus generated will stimulate trade with the United States, as will the improvements in the nation's economy as various projects are completed. Demand will be increased for transport equipment and construction machinery. Guyana's cattle industry offers potential for breeding stock and feed-stuff components.

Finally, two developments in the offing hold considerable potential for increased trade between the United States and the Caribbean. The Caribbean Free Trade Area (CARIFTA), ratified by Guyana, Barbados and Antigua, may well lead to reduced tariffs outside, as well as inside, the Area, if the three countries can implement the agreement and persuade others to join.

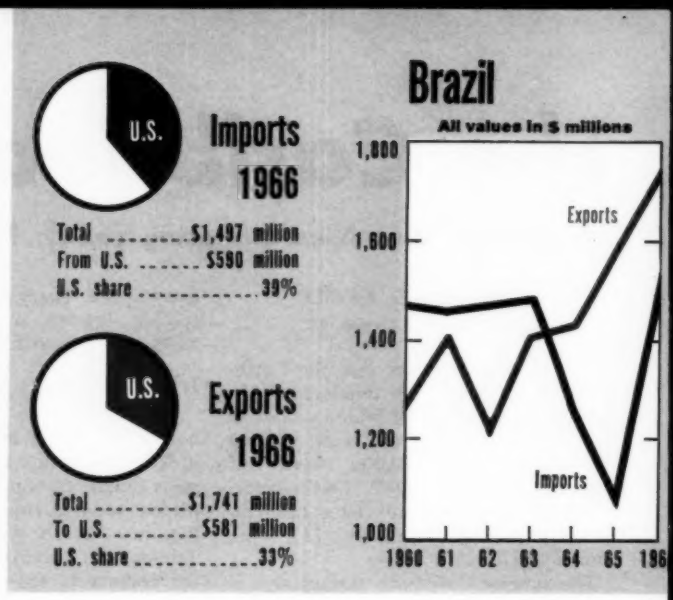
More importantly a Caribbean Development Bank will probably be formed in the near future. Discussions between British, Canadian, American and UN representatives are underway. Plans are by no means final but the impact of such a bank on the Area, especially the smaller islands, should prove great indeed.

Brazil

U.S. Mission reports Brazilian businessmen confident, anxious to develop economy

By EVELYN HESSLER

American Republics Division, BIC



In 1967 Brazil's imports from the United States are expected to run above the $589.9 million registered in 1966. Total Brazilian imports for 1966 amounted to $1,497 million, well above 1965's $1,096 million. The U.S. share of the market showed a sharp increase, rising from 29.1% to 39% in 1966.

Despite such restraining factors as business slowdowns and higher import costs because of devaluation of the cruzeiro in the early part of the year, as well as Brazil's growing self-sufficiency in many lines, growth factors are expected to push the 1967 total over the 1966 level. These factors include substantial investment buttressed by sizeable external aid and credit, a rapidly increasing population and urbanization, import liberalization, and the prospect of improved business conditions during the second half of the year.

Brazil's estimated GNP of Cr$44,100 billion in 1966 represented a 4.4% increase over the preceding year, according to estimates of the Getulio Vargas Foundation. The 1965 increase amounted to 3.9%.

In 1966, industrial output was up 11.8% while, as a result of adverse weather conditions, agriculture showed a 2% decline. This year a bumper agricultural crop is expected and business is up after the slump of the earlier part of the year.

New government takes office

The first part of 1967 was a period of change, with new measures affecting all aspects of the economy. Most important, in the eyes of business, the revolutionary government of President Castello Branco was succeeded on March 15, by that of President Costa e Silva. The new government emphasized that it intends to carry on the economic program of its predecessor, but with some changes in emphasis and style. It is expected to give somewhat higher priority to economic development, to emphasize strengthening the private sector, to devote more attention to public relations, and in general to be more pragmatic and less theoretical in its approach.

The most pressing economic problem faced by the new government was the business recession which began in the third quarter of 1966 and had its greatest impact in the Sao Paulo industrial area. The first actions of the Costa e Silva government in the economic field were directed at stimulating a higher level of business activity by increasing consumer demand while maintaining an adequate availability of bank credit to the private sector. By the end of the first quarter there were signs that the recession that had affected Sao Paulo industry for the past three quarters had passed its lowest point.

Mission reports confidence

The U.S. Trade and Development Mission that held business consultations in major cities of Brazil during the month of April reported that business is confident the government will continue the fight against inflation and will provide incentives for further development of the economy. The proposals brought back by the Mission show the determination of Brazilian businessmen to modernize and expand existing industrial and commercial installations.

In sales of capital goods U.S. exporters are faced with increasing competition from other exporters. With working capital relatively scarce and costly, most Brazilian importers are forced to seek longer-term credits. U.S. exporters of capital equipment who are not able or willing to offer such credits are at a serious disadvantage unless they can take advantage of the more liberal financing available under the various aid programs.

CHIEF BRAZILIAN IMPORTS FROM U.S.: industrial machinery (including tractors), chemicals, wheat, copper, electrical machinery, aircraft, coal. CHIEF BRAZILIAN EXPORTS TO U.S.: coffee, sugar, cocoa, iron, manganese, edible nuts, castor oil.

Of Brazil's total 1966 imports of $1,497 million, major imports were crude petroleum, machinery, wheat, chemicals and transport equipment. Chief imports from the United States were industrial machinery, chemicals, wheat, copper, electrical machinery, aircraft and coal. The United States as major supplier with 39% of the total was followed by West Germany (9%), Argentina (8%) and Venezuela (5%).

Import system liberalized

Brazil's new tariff, with generally lower rates of duty, which became effective Mar. 1 is one of a series of measures liberalizing its import system. Other measures provide for liberalization of the protective law of similars and a broader basis for tariff exemptions and for the elimination, in effect, of the protective special category import system.

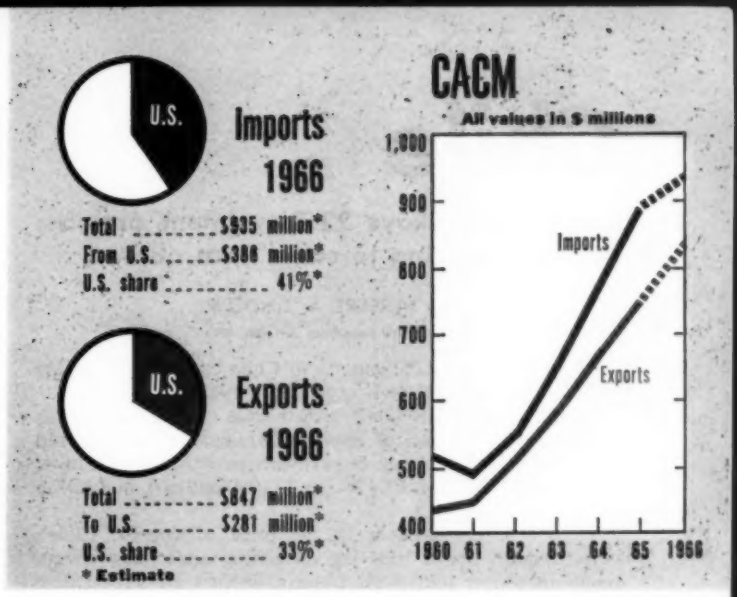
As reported by the Trade Mission, the commodity categories of greatest interest to Brazilian importers are chemicals, especially plastics, and raw materials for the pharmaceutical, agricultural, chemical and paint industries; and machinery, such as machine tools, packaging and other industrial equipment, and electronic apparatus.

In addition to other factors making 1967 a promising year for U.S. exports to Brazil, the trade balance for Brazil is favorable, and it has acquired substantial foreign exchange reserves. Furthermore, in 1967 an AID program loan, basically similar to previous program loans, will provide additional import financing with favorable credit terms. Of the $100 million program loan total, $40 million is set aside for financing a broad range of capital goods.

Central America

Outlook for U.S. imports: slight increase, although market shares down generally

By CARL R. JACOBSEN
and J. M. VON STROEBEL
American Republics Division, BIC



Imports into the Central American Common Market continued a steady rise, increasing by 6.8% to an estimated $952 million in 1966. U.S. share was 40%, the same as 1965. Outlook for U.S. exports in 1967 is for small overall increase.

CACM exports also continued to rise, but lower prices or reduced crops may slow the rate of expansion. Several members are faced with balance of trade, payments, or fiscal problems. The CACM is operating more and more effectively, but may have reached a temporary economic plateau. Emphasis will have to be on expanding markets for CACM products regionally and internationally, both to increase earnings and to attract investment.

Costa Rica

Imports by Costa Rica during 1966 totaled $179 million, about the same as 1965. The U.S. share was $69.7 million, or 39.6%, also about the same as in 1965. This lack of change in imports reflects the tight credit policy in effect to correct the highly unfavorable balance of trade.

Total imports during 1967 are not expected to be above 1966 levels because of tight domestic credit, the fiscal deficit and the exchange controls imposed in early 1967. However, imposition of the additional consumption and sales taxes should provide substantial help to resolve the fiscal deficit and may clear the way for some relaxation of credit and exchange controls during 1967.

Guatemala

Imports in 1966 declined by about 2.9% to $223 million, with imports from the United States estimated at $90 million, down from $97 million in 1965. The U.S. share of the market was about 40.4%, down from 42.3% in 1965.

Exports for 1967 will be under the record levels of 1966. The value of coffee and cotton exports is expected to be down by 33%, with total exports down by 10% to 15%. Some recently inaugurated public capital projects, several with international financing, could counterbalance the effects of reduced exports, however. The stabilization trend in the domestic political atmosphere has led to some return of investor confidence.

Total imports may be down slightly in 1967, but U.S. exports should continue at about the same rate as during 1966.

Nicaragua

Nicaraguan imports for 1966 totaled $182 million, a 13.2% increase over 1965. Imports from the United States were $84 million, or 45.8% of the total, a decline from 47.1% in 1965. The principal reason for the decrease is the growth in trade with the members of the Common Market.

The first adverse balance of trade in many years, a slowing of the economic growth rate, low world coffee prices, and a cotton crop smaller than expected, may force the government to impose some additional restraints on imports during 1967 to conserve exchange reserves. The Central Bank has recommended that the benefits of the industrial incentive laws be excluded from industries with little value added in Nicaragua.

El Salvador

Total imports into El Salvador during 1966, valued at about $221 million, were up 10% over 1965, continuing the trend of recent years. Imports from the United States, valued at about $65 million, were up almost 4% in value, but the share of the market appeared to have decreased from 31.2% to 29.4%.

The economy slowed its rate of advance during 1966, with lower sugar and cotton sales. Business was off, especially in the early part of 1967 prior to the presidential election, but activity recovered somewhat thereafter. Construction activity has continued to hold its pace, and new investment continues. Industrial production and exports of manufactures, as well as coffee exports, have been rising.

Although total imports may decrease in 1967, U.S. exports might increase their share of the market slightly. There could be some reduction in imports of agricultural machinery, fertilizers, and insecticides.

CHIEF CENTRAL AMERICAN IMPORTS FROM U.S.: machinery and transport equipment, chemicals, paper and paperboard, metal manufactures. CHIEF CENTRAL AMERICAN EXPORTS TO U.S.: coffee, bananas, sugar, meat, shrimp.

Honduras

Imports continued to rise, reaching $147 million in 1966, compared with $122 million in 1965. Imports from the United States were projected at $73 million, compared with $57 million in 1965.

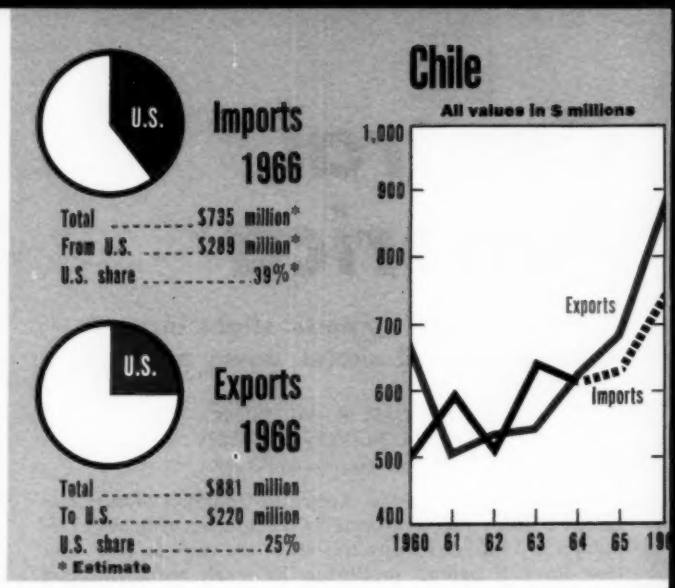
After three years of sustained, unprecedented growth, the economy showed some signs of a slower growth rate, but not of serious proportions. The trade balance may weaken, and there may be a fiscal deficit. Exports of coffee have fallen about 33%, but other principal exports continue to rise. Industrial production levels remain satisfactory. Despite the mediocre utilization of available public investment capital in 1966, there were signs that this could improve in 1967.

Imports are expected to rise in 1967, but at a slower rate, with the outlook good for transport, construction, and agricultural machinery, and for agricultural chemicals and fertilizers.

Chile

Government okays 22 investment projects; 80% of financing to come from abroad

By HERBERT A. LINDOW
American Republics Division, BIC



The outlook for U.S. exports to Chile continues favorable and a moderate increase is expected in 1967.

An acceleration in GNP growth rate (up about 8% in 1966), a continuation of import liberalization policies, and a much improved balance of payments position resulted in an estimated increase of 13.4% (to $710.4 million) in Chilean imports in 1966.

Despite recent declines in the price of copper, Chile's major export, and a time lag on getting major new investments in copper underway, Chilean imports are expected to be about 13% higher in 1967 than in 1966 and may rise to $802.8 million. Large scale investments by the U.S. copper companies in new mines as well as a large number of other investment projects should result in a significant increase in imports in the latter half of 1967.

Trade expands

The latest available trade data from Chile indicate that total imports during the January-November period of 1966 were valued at $626.6 million, with $246.9 million coming from the United States. Total merchandise imports in 1966 were estimated by the Central Bank at $710.4 million, an increase of 17.6% over the $603.6 million imported in 1965.

The U.S. share of the Chilean market was 39.4% in the first 11 months of 1966, compared to 39.2% in 1965 and 36.6% in 1964. The United States continued to be by far the principal supplier of Chile's imports, followed by West Germany with 12.2% ($86.9 million) of total imports, Argentina with 7.4% ($52.9 million) and the United Kingdom with 5% ($35.3 million).

Chile's balance of payments continues to be healthy as reflected by official data released for 1966 showing an overall payments surplus of $112 million. Since copper prices will be well below their unusually high 1966 levels, a surplus of this magnitude will not occur again in 1967. Nevertheless, the Central Bank is forecasting a surplus of $8 million for 1967, after allowing for a 15% increase in imports.

Although Chile continues to require that payments abroad for imports be delayed by 60 days after the date of the bill of lading, the current program of trade liberalization should continue throughout 1967. The liberalization program has, among other things, included a reduction in import charges on machinery and equipment and industrial materials as well as a more liberal policy of relaxing direct administrative controls over imports.

At the beginning of 1967 Chile adopted a new tariff classification system based upon the Brussels Nomenclature. Chile's tariff structure has now been simplified and consists of specific and ad valorem duties.

Among the U.S. commodities which appear to have the best possibilities on the basis of increasing sales during the first ten months of 1966 are the following: raw tobacco, because of inadequate production; varnished tinplate, as the food processing industries expand; earth moving equipment, which is required in connection with new large investment program in copper and highways; looms, to replace antiquated equipment; typewriters and other machines, for business records; valves for piping and thermostats, needed as industrialization increases; telecommunication equipment, required under Government expansion programs; railroad parts and components, for the Government's modernization program; heavy duty passenger trucks (chassis and motor) and airplanes, helicopters, and gliders for private company and Governmental use.

U.S. suppliers may be facing additional competition during the months ahead, if trade occurs under recent Chilean trade and technical assistance agreements with the Soviet Union and if imports are increased from LAFTA countries. The Soviet Union and Chile have discussed sales of a copper rolling mill, a copper and molybdenum fabricating and beneficiation plant, a geological survey, and a combining of prefabricated parts for housing. All of this is still in the initial stages, however. Also, the Chileans discussed with Mexico possible bilateral industrial complementation agreements in the automotive, paper, chemical and fertilizer industries.

CHIEF CHILEAN IMPORTS FROM U.S.: wheat, fertilizers, organic chemicals, automotive vehicles and parts, construction and mining machinery and equipment, and other types of machinery and equipment. CHIEF CHILEAN EXPORTS TO U.S.: copper, iron ores and concentrates, fishmeal, sodium nitrate, fresh fruits.

Investments to accelerate

In the investment field, there are recent developments which will be of interest to U.S. suppliers. The Chilean Government has in recent months authorized at least 22 investment projects totaling about $907 million, of which $751.5 million are to come from abroad. Of these, six are in new copper mining developments and amount to $563.5 million, of which $520 million are to come from foreign sources. There are three iron mining projects calling for the investment of at least $36 million.

There are 14 other projects, including expansion of steel making capacity, the construction of a satellite ground station, the installation of four major complexes to produce ethyl, ammonia, aromatics and industrial acids and alcohols, the production of air-bleached pulp, unbleached pulp, card stock, paper board and special paper products.

Colombia

Balance-of-payments problem cuts imports; AID program loan should assist recovery

By HERBERT A. LINDOW
American Republics Division, BIC

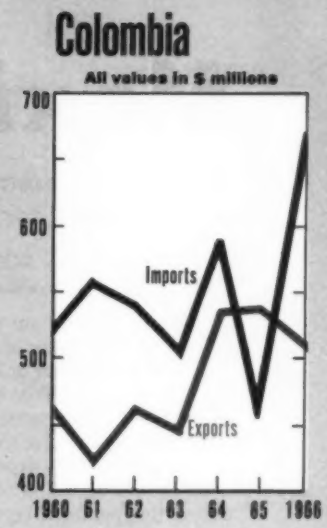
Colombia's imports are expected to decline by 10-15% from their unusually high level of $674 million in 1966. A severe balance of payments problem in late 1966 and failure to reach an agreement with the IMF and AID until May on conditions of further assistance resulted in a sharp cutback of Colombian imports in the first four months of this year. While the balance of payments remains precarious and controls over imports are continuing, the renewal of AID assistance in late May should permit a higher level of imports during the remainder of 1967.

Imports 1966

Total ..... $674 million
From U.S. ..... $324 million
U.S. share 48%

Exports 1966

Total ..... $508 million
To U.S. ..... $222 million
U.S. share 44%



On May 27 the United States Agency for International Development and the Government of Colombia signed a Program Loan for $100 million. A list of capital goods and general commodities which are eligible for financing under the Program Loan is found in AID Procurement Bulletin 67-5 of June 5, 1967. This publication may be obtained from the Office of Small Business, Agency for International Development, Washington, D.C., 20523. Suppliers may subsequently wish to obtain trade lists from AID giving the names of Colombian importers who have been identified as having previously purchased commodities on the list.

Examples of significant items on the list in terms of value include: pumps, fertilizers, paper making machinery, internal combustion engines, tubes and pipes, iron and steel sheets, electric generators over 100 KW, tractors and most organic chemicals.

Other items with good sales possibilities but which are not to be AID financed include: copper alloy products, machine tools for working metals, metal working machinery, radio telephones, telegraphic transmitters and receivers, electrical apparatus for making and breaking circuits, parts and accessories for motor vehicles.

Trade should recover

Colombia's import trade should recover in the remainder of 1967 from the abnormally low levels of the first four months. In 1966 Colombia's total imports amounted to $674 million, a significant increase of about 48.8% over 1965. At the same time, imports from the United States increased by 49.1% to $323.5 million. Most of this spurt in imports was due to restocking of inventories by importers following the removal of import restrictions which had been lifted in the fall of 1965 and speculation about the Government's ability to maintain its trade liberalization program. Because of balance of payments pressures the trade liberalization policy was terminated at the end of November when very stringent import and exchange controls systems were placed into effect. From the beginning of December 1966 to March 1967, reimbursable import registrations declined from a level of about $50 million monthly to $16 million monthly.

Import rise expected

In view of renewed economic assistance by AID and a recent IMF standby agreement with Colombia, import registrations are now expected to rise to a monthly average of about $40 million by the end of 1967. Although the Colombian Government continues to maintain a prior import license list (covering most items), the Government has indicated that it might gradually move certain items to a free list depending on the foreign exchange position. Items on this list would not be subject to import licenses or other quantitative restrictions.

Because of greater availability of foreign exchange, there should be a progressive reduction in Colombia's commercial arrears. These totaled about $75 million at the end of 1966. Colombia has announced its intentions to reduce these arrears throughout 1967 and eliminate them completely by the end of this year.

CHIEF COLOMBIAN IMPORTS FROM U.S.: wheat, organic chemicals, fertilizers, automotive vehicles and parts, machinery and equipment, iron and steel products. CHIEF COLOMBIAN EXPORTS TO U.S.: coffee, petroleum, textiles, sugar and sugar products, tobacco, leather goods and fish.

Business confidence on the part of local and foreign investors was shaken in recent months by the Government's new trade and exchange regulations and businessmen displayed a cautious attitude with respect to the near term future. Foreign investors were taking a particularly close look at Colombia's new exchange regulations. Law 444 established a limitation on the remittance of earnings of 10% of the total net value of the investment. In addition to the limitations placed on earnings remittances, the Colombian Government established administrative reviews of payment remittances abroad arising from royalty, patent, trademark, commission and similar contracts. A special Government committee will in effect determine which payments may be remitted abroad.

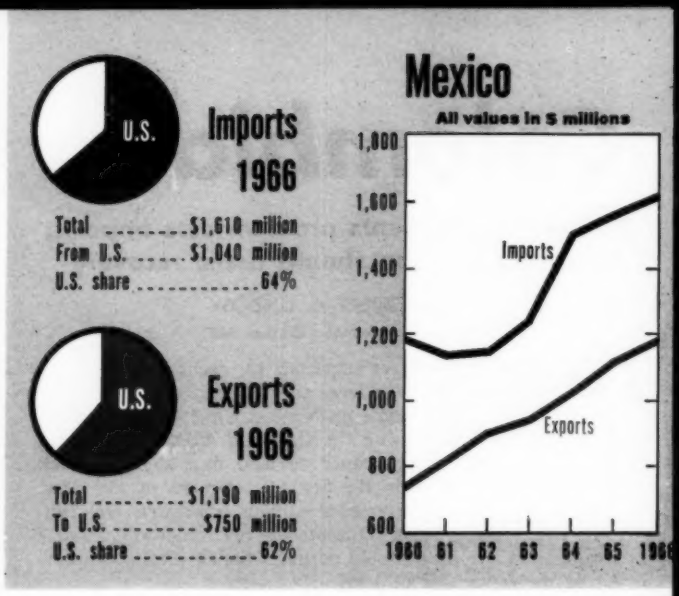
Development program

In connection with its development programs, the Government of Colombia has submitted to the International Bank for Reconstruction and Development a list and description of projects which it will present to a Consultative Group coordinated by that bank. The Consultative Group is composed of representatives of foreign governments and lending agencies. The list of projects totals $381 million, which Colombia hopes to acquire between July 1967 and June 1968. The bulk of the assistance requested by the Government is for its programs to develop power, transportation, water and sewage, agriculture and industry.

Mexico

Government promotes industrial growth, creating need for technical equipment

By ROBERT H. BATEMAN
American Republics Division, BIC



Mexico's imports are expected to continue a moderate rise during the remainder of 1967. The increase may be proportionally less than that of exports, however, due to the Mexican Government's emphasis on export expansion and its deliberate program of import substitution.

Figures for the first four months of 1967 show an increase of 2% in total U.S. exports to Mexico compared to the 1966 monthly average. The total figure of $400.2 million reached during this period is consistent with average annual increases experienced over the last several years and indicates no significant change in the U.S. share of the Mexican market.

The Gross National Product of Mexico is expected to increase by 7.5% this year over the 1966 figure of $21.7 billion and at least one government official has predicted it might run as high as $24 billion. This puts Mexico fifth in terms of rate of economic development among the 51 members of the International Monetary Fund.

The economic activities most responsible for this impressive growth rate are construction, manufacturing, electric energy production, and commerce. While there is no clearly definable mathematical link between changes in the GNP and the level of imports, some increase in the latter can be expected from a substantial rise in the GNP. Equally important is the general optimism and business confidence nourished by a rapidly expanding economy.

Stability is evidenced by a peso backed up by nearly a billion dollars in reserves with the Bank of Mexico and in stand-by reserve agreements with the IMF, the U.S. Treasury, and the Eximbank.

Also significant is the behavior of average wholesale prices, which rose only 1.3% last year as compared to 1.9% in 1965 and the 4.2% increase in 1964. Real per capita income increased 3.3% as compared to 1.6% in 1965. Aided by a 15% rise in tourism Mexico's balance of payments situation was not unfavorable in 1966.

The key is growth

The Mexican Government is very much growth-minded when it comes to industry. It is felt that broadening the industrial sector is the best way not only to make use of the underemployed rural work force but also to expand the internal market by enlarging effective buying power. Because the recent industrial census showed that Mexican industry was highly concentrated in the states of Mexico and Nuevo Leon, the government is anxious to decentralize by encouraging enterprises in other regions of the country. This is done in part by means of the Law for the Development of New and Necessary Industries, which grants tax deductions to guarantee initial competitiveness to a new firm.

Investment plans

The Presidential Report of Sept. 1966 outlined plans for a national investment of $22 billion during the period 1966 to 1970, almost two-thirds of which is to be directed to the private sector. To be begun immediately were 200 new industrial projects, involving a total investment of close to $500 million, in basic chemicals, secondary chemicals, automotive supply, office equipment, heavy equipment and machinery for industry and construction, artificial fibers, and aluminum.

In 1966 permission was granted for the establishment of fifteen new petrochemical enterprises alone and in January 1967 this was increased by fourteen. In addition, there is to be at least one important new steel plant and three new artificial fiber operations.

These ambitious plans for expansion of the industrial sector point to the fact that relatively complex heavy machinery and technical equipment are likely to become even more important items among Mexican imports. For this reason the United States is in a very good position to retain her overall share of the Mexican market—not only because of the high state of technology existing in the United States, but also due to the ease and speed with which this equipment, along with spare parts, can be transported to Mexico. The U.S. exhibition of food processing and packaging equipment to be held in Mexico City in August of this year is designed to stimulate an interest in this aspect of U.S. technical know-how and is likely to lead to increased orders placed with U.S. manufacturers.

CHIEF MEXICAN IMPORTS FROM U.S.: industrial equipment, machinery and parts, railway and other transport equipment, tractors, chemicals (including bulk pharmaceuticals), iron and steel scrap. CHIEF MEXICAN EXPORTS TO U.S.: petroleum and its products, coffee, sugar, tomatoes, shrimp, sulfur, lead, fluorspar, zinc, cattle.

Protectionism questioned

Of considerable interest to U.S. exporters is the fact that the Mexican Government is having second thoughts about the high degree of protection being afforded some industries. A recent address by the Secretary of Industry and Commerce brought to light official concern regarding possible dangers to national economic interests of excessive industrial protection. The undesirable effects include inadequate encouragement of efficiency in production, restraint of domestic buying power, and failure to achieve a competitive position in world trade.

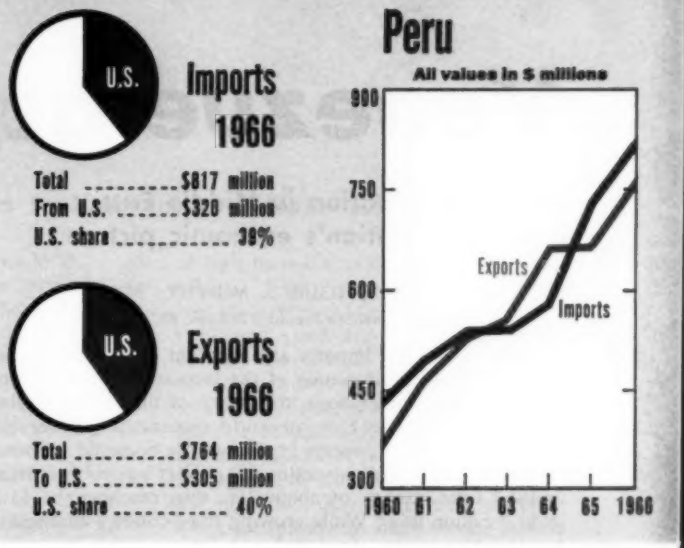
This attitude could lead to the relaxation of trade barriers for certain commodities which cannot be produced economically in Mexico.

Peru

Slight increase of U.S. imports expected as steep import duties affect many items

By BRUCE SEVER

American Republics Division, BIC



At midyear, the outlook for U.S. exports to Peru in 1967 is for a modest increase of about 2% over the $312 million exported in 1966. The rate of growth is thus expected to abate from the 11% growth registered during 1966, but U.S. exports should reach new high ground rising to about $318 million.

The slower growth in U.S. exports is predicated on the dampening effect that the import duty hikes will have during the balance of 1967. The import duty hikes which went into effect on June 7 were steep and affected a large number of items. The same decree establishing the import duty increases tightens up on formerly liberal provisions which granted import duty exoneration to imports brought in under the Industrial Promotion Law or other decrees.

Balance of payment deficits, substantial government budgetary deficits, and growing inflationary pressures are among the major adverse factors affecting the outlook. The pace of economic development is slackening with GNP expected to rise by about 4% as compared to 5.5% in 1966.

However, there were still some signs of buoyancy. Export earnings were up about 15% in the first quarter of 1967 as compared to the same quarter of 1966. This rise was chiefly due to favorable mineral prices. There are some agricultural, manufacturing and assembling activities presently undergoing considerable development.

Corrective actions

The Belaunde Administration has taken some steps in recent weeks to reduce its balance-of-payment and budgetary deficits. Through the Superintendency of Banks, the Government has reduced by 50% the amount of aggregate, local credit made available to a list of 21 large firms, including automotive assemblers, and other foreign firms. This action was intended to relieve the very tight pinch on availability of commercial credit. There has been considerable criticism of this new measure, which has been viewed as discriminatory and adversely affecting the investment climate. Reportedly some firms have been relying heavily upon local financing of their operations, rather than risk loss of funds through possible devaluation of the Sol (currency). However, the President has affirmed that there will be no devaluation of the Sol and instead has sought to achieve the balance-of-payment equilibrium through the import duty hikes of June 7th.

To establish confidence in the exchange market the Central Bank has announced that it will sell dollars to commercial banks for delivery in the future (up to 90 days). This move provides cover for those firms who will need to bring in dollars in the future (up to 90 days) to reduce their aggregate amount of outstanding local loans. Peru's gold and foreign exchange reserves were U.S. $110 million at the end of the third week in May, down approximately 25% from a year earlier.

Public spending cut

The Congress granted the Administration authority to cut 1967 public spending in some ministries and offset a $30 million increase in the Peruvian military budget.

An increase in custom revenues is expected from the tariff increases, but Congress refused to grant the broader taxing powers asked for by the Belaunde Administration to fully balance the 1967 budget. As a consequence, an extensive budgetary deficit is anticipated.

Peruvian imports during January and February 1967 were up about $25 million or 23% over the corresponding period of 1966. The rise in overall imports has been attributed partly to inventory accumulation in anticipation of the recent tariff increases. During these two months, imports from the United States represented a low 37.6% share of total Peruvian imports, compared with a 40.7% share in March 1967 and a 39.2% share during all of 1966.

CHIEF PERUVIAN IMPORTS FROM U.S.: machinery, motor vehicles and parts, chemicals, wheat, metal manufactures, iron and steel. **CHIEF PERUVIAN EXPORTS TO U.S.:** copper, sugar, fishmeal, coffee, lead, zinc.

Best markets

The fastest growing Peruvian import markets are for meat according to Peruvian statistics for the first three months of 1966 and 1967, with imports of meat and meat offals up 66%. The next fastest growing market is for miscellaneous chemicals up 39%, followed by paper and paper products, cereals (largely wheat), tanning items, dyes, paints, etc., aluminum and articles thereof, iron and steel and articles thereof, wadding, cordage, impregnated fabrics, etc., instruments and apparatus, and electrical machinery, equipment and parts thereof.

Industrial developments

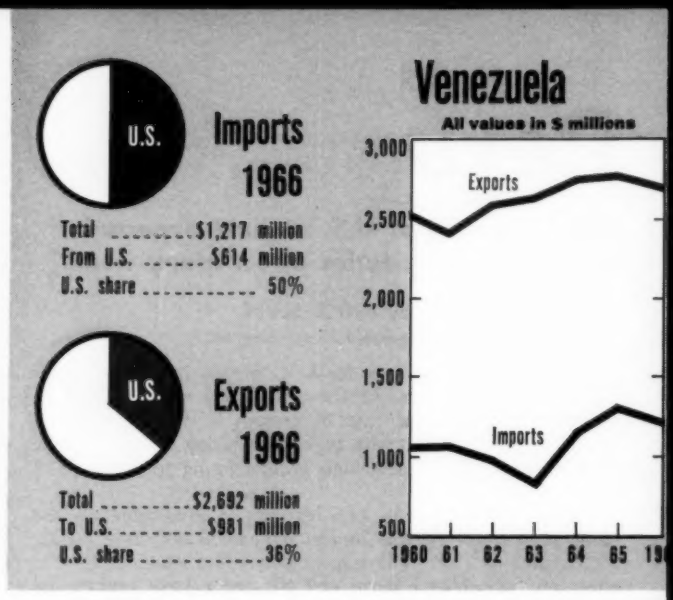
U.S. export patterns will be altered with the opening of new plants in Peru to produce dry storage batteries, sulphuric acid and copper wire rod, and the planned opening of plants to produce paper and paperboard and florescent lamps.

The U.S. Department of Commerce will stage an exhibition of U.S. mining, construction and metalworking machinery at the biennial Pacific International Trade Fair in Lima, Peru, Oct. 27-Nov. 12, 1967. The U.S. exhibit has already been fully booked by American firms anxious to increase their export sales to Peru.

Venezuela

Petroleum situation in Middle East may affect nation's economic picture

By LOUIS J. MURPHY
American Republics Division, BIC



Venezuela's total imports are expected to rise moderately in 1967, with the magnitude of the increase depending upon, among other considerations, the effects of the recent developments in the Middle East on world demand for Venezuelan petroleum and the resultant impact on the domestic economy.

Current but preliminary estimates project a possible increase in 1967 total imports of about 3%, thus reaching the $1.25 to $1.3 billion level. While growing third-country competition for the Venezuelan market has led to a small but steady decline in the U.S. share of the market in recent years, the trend toward increased Venezuelan demand for more sophisticated manufactured products as well as capital goods is expected to assist U.S. exports in keeping pace with this general growth.

The 1966 Venezuelan economic slowdown was due, in part, to a temporary loss of business confidence stemming from a decline in petroleum production and the business community's reaction to the Government's tax increase proposals. However, subsequent examples of a closer private business-Government dialogue, gradual amelioration of tight credit conditions, and an increase in scheduled public sector development expenditures are additional factors which indicate that Venezuelan economic activity and import demand are likely to increase in 1967, particularly in the latter half of the year.

Venezuela's Gross National Product is estimated to have reached $7.9 billion in 1966, an annual growth of approximately 3% compared to a 7% per annum increase in each of the two preceding years. While the 1965-68 National Development Plan calls for a 7.2% annual GNP rate of growth, it is estimated that the 1967 increase will be somewhat below this target rate, although higher than that realized in 1966.

Imports down

Official Venezuelan trade statistics show total 1966 Venezuelan imports amounting to $1.217 billion, a decrease of 8% from the 1965 level. Imports from the United States were valued at $613.7 million (c.i.f.), a decline of 8.4% from the 1965 total of approximately $670 million. The U.S. share of the import market slipped from 50.6% in 1965 to 50.4% in 1966.

In addition to the potential increased world demand for Venezuelan petroleum, two recent developments which are likely to have important medium and long-term implications for the U.S. exporter or investor are the growing attention being given to the establishment of intermediate and basic industries and the related potential benefits accruing to Venezuela from her August 1966 entry into the Latin American Free Trade Association (LAFTA).

The major part of Venezuela's impressive record of industrial sector growth has been attained by the establishment of consumer goods industries whose products subsequently displaced previous imports in the domestic market. Progress in this import-substitution phase of industrialization has reached a point where such a program, oriented mainly toward the domestic market, will no longer sustain by itself a high growth rate in manufacturing. Consequently, the Government is now pursuing a policy of encouraging more intermediate and basic industries which require the multinational mass market potential afforded by LAFTA.

The Government believes that considerable economic development can also be achieved through regional complementation agreements adopted under the general auspices of LAFTA.

CHIEF VENEZUELAN IMPORTS FROM U.S.: machinery, motor vehicles and parts, chemicals, iron and steel, paper, paperboard and products. CHIEF VENEZUELAN EXPORTS TO U.S.: petroleum and products, iron ore, coffee, shrimp, diamonds.

Specific industries for possible inclusion in regional complementation agreements are chemicals, petrochemicals, and automotive vehicles.

The Venezuelan Government is determined that the economy, especially the export sector, develop beyond the present status in which petroleum and petroleum derivatives account for over 90% of all foreign exchange earnings.

Consequently, a growing emphasis will be placed on the establishment of competitive industries with export potential, particularly with a view towards exploiting trade opportunities developed from adherence to LAFTA and the plans for a Latin American Common Market.

Public programs

Paralleling these efforts the Government has allocated a significant percentage of total public expenditures to a series of social and infrastructure projects aimed at a continued improvement of the national standard of living and a more effective utilization of the country's considerable resource base.

With these considerations in mind, the Venezuelan import market will continue to be most promising for intermediate and capital goods needed for industry and economic and social development projects.

Among those product categories which appear to have considerable export potential are: agricultural machinery and equipment; power-generating machinery; general industrial machinery, especially with labor-saving potential; marine engines; electrical generation and distribution equipment; telecommunications equipment; and scientific, measuring, and control instruments and apparatus.

Western Europe

Emphasis on regional trade, economic lag, tend to limit imports from U.S.

By J. ROBERT WILSON
European Division, BIC

The long-term outlook for a further expansion of U.S. exports to Western Europe is very encouraging, but the timing of a strong upswing is uncertain.

Eventually tariff reductions and more buoyant business conditions are expected to stimulate our trade with Western Europe. Meanwhile, however, decelerated economic growth in the larger European countries, together with incentives toward regional, rather than international or interregional, trade will make it difficult for outsiders to expand their sales to the major European markets.

The tariff reductions achieved in the recently concluded Kennedy Round negotiations will take effect gradually beginning next year and erode some of the incentives toward regional trade by the nations comprising the EEC (European Economic Community) and EFTA (the European Free Trade Association).

The internal industrial tariffs of the six EEC nations have been reduced to 85% of their original pre-EEC levels and exporters in the member-states are looking forward to the complete elimination of these duties when the customs union is comp'eted on July 1, 1968. Since the beginning of this year the seven full members of EFTA have enjoyed duty-free treatment for their internal trade in industrial products. Internal trade in both blocs has increased faster than their imports from the outside world. This trend has been particularly pronounced in the case of the EEC where intra-trade has tripled since 1958.

In 1966 U.S. exports to Western Europe totaled $9.4 billion and, until fairly recently, it seemed that they would top $10 billion this year. Only a 7% rise would be required to achieve this record. So far this year, however, the rate of increase has not been this great, and a strong upsurge in the remaining months will be required to hit the ten billion mark.

The recessive tendencies that were discernible in the major European economies at the beginning of this year have proved to be more persistent than most observers then expected. While practically all of the Western European economies are still growing, their rates of growth have slowed considerably. Although unemployment has increased, aggregate consumption has held up remarkably well. Private investment, however, continues to be depressed despite a marked easing of credit availabilities.

The two major European economies, the British and German, remain depressed. The British case is one of purposeful belt-tightening occasioned by the need to strengthen the balance-of-payments. The British authorities will probably resist growing pressures to reflate until a further strengthening of the foreign exchange position is achieved.

The most surprising and disturbing development on the European economic scene has been the failure of the German economy to respond to various monetary and fiscal measures designed to stimulate business activity. The decline in the German propensity to invest in new plant and equipment has severely depressed the capital goods market. The latest EEC survey showed that, as of March, 61% of the manufacturers of capital goods considered their order books below normal.

Sales prospects to EEC

The mild recession in Germany has already had adverse effects on a number of neighboring countries. This, in turn, reduces their growth rates and import demand.

The March EEC survey, "The Economic Situation in the Community" characterized the situation as follows: "The growth in imports of goods and services from non-member countries is likely to continue in the coming months, but for some time to come the rate of increase of visible imports will doubtless be relatively small. In Germany a pick-up in purchases is to be expected only from the second half year onward, or even later, and the demand for imports in the Benelux countries, too, will doubtless remain fairly low until then. Furthermore, in France and, to a less marked extent, in Italy the expansion of purchases, which has so far been very rapid, might give way to a rather slower trend."

The Organization for Economic Cooperation and Development (OECD), in a report issued at the end of June, notes that Germany experienced "an unusually sharp decline in domestic demand," but ventures the view that "it can probably at least be said that the decline is leveling off . . ." The report cited a fairly strong rise in current public expenditures and a continued good export performance as factors that should help the German economy to recover.

There is no strict relationship between the rate of economic expansion in Western Europe and the rate of U.S. exports to that area. Provided Western Europe does not slip into a severe recession, opportunities for increasing many of our exports remain unaffected by the current stagnation.

Nearly all of the industrialized countries of Western Europe, including the UK, have increased their foreign exchange reserves over what they were a year ago. Thus, at least for the near-term, U.S. exporters are free of the threat of trade restrictions imposed for balance-of-payments reasons.

Exports of capital goods should continue to be stimulated by the high level of direct U.S. investment, projected at $2.5 billion for 1967. Moreover, efforts on the part of the leading European nations to narrow the "technological gap" may result in greater purchases of automatic data processing equipment and other products embodying advanced American technology.

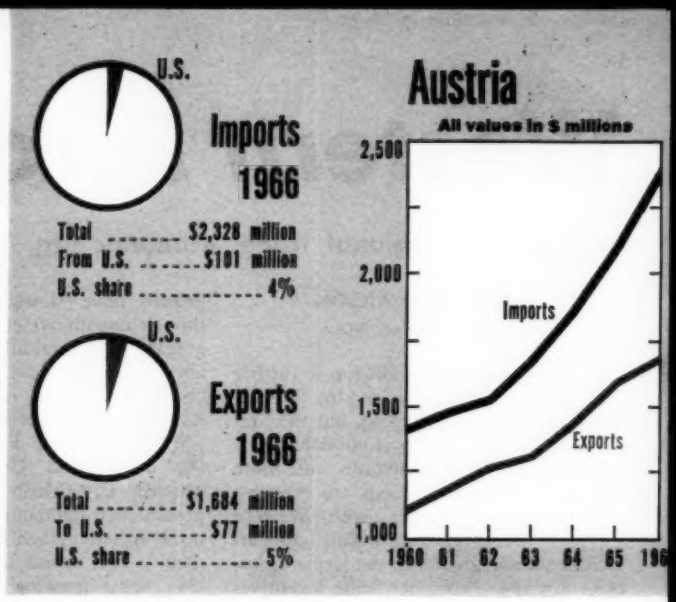
On May 11 the UK, Denmark and Ireland formally applied for membership in the EEC. Although British Prime Minister Wilson has urged "speedy progress," French misgivings currently stand in the way of imminent British accession. Regardless of how the six EEC governments process the three applications for membership, as well as several applications for associate membership, it seems evident that many months, or even years, will transpire before any significant enlargement of the customs union.

The active trade promotion programs of the U.S. Department of Commerce help to support efforts by American businessmen to expand their sales to Western Europe. The four European Trade Centers, in London, Frankfurt, Stockholm and Milan, have planned busy schedules of displays and exhibitions. The receptivity of Western Europeans to American products continues to be very high and despite increasing competition, vigorous sales promotion efforts generally achieve the desired results.

Austria

U.S. exporters can expect to find stiffer competition; slower markets

By JANICE GOERTZ
European Division, BIC



U.S. exporters can expect to meet stiff competition in the Austrian market in the coming months. Indicators for the first months of 1967 point to a slowing down of economic activity, with imports showing only slight rises. U.S. businessmen must be prepared to make strong promotional efforts to maintain their share of the market.

The stepped-up export activities of other Western European countries whose economies are slackening off, as well as the recent elimination of tariffs on industrial products among the seven EFTA members, create unfavorable competition factors for U.S. exporters in the Austrian market.

The easing off of business activity in recent months, as evidenced by the slow rise in industrial production and retail sales, points to only moderate import increases for the remainder of the year. Austrian imports for the first quarter of 1967 rose at a slower rate than exports, a reversal of the trend in the last several years. Imports of goods and services are expected to rise about 9% in 1967, down from the 12% rise in 1966.

Austria's Gross National Product rose by 4.3% in real terms in 1966, reaching $10 billion. Although this growth rate was an improvement over the 2.4% in 1965, a pickup in agricultural output was a major factor in the increased rate for 1966. GNP in 1967 is expected to rise by 2-3%.

Industrial production up

Industrial production increased by about 3.5% last year. Greatest gains in output were registered in the power, chemical, and foodstuffs industries. Agricultural yields fared exceedingly well, particularly grain crops and sugar beets, due to favorable weather conditions.

This year's figures show industrial output to be weakening, and in many sectors it has dropped below 1966 levels. In addition industrial investments are also expected to be below last year's level. Production in the basic and capital goods industries is particularly slow due to the growing competition of imports, a slackening in the volume of new orders, insufficient investment, and structural weaknesses. However, production in the consumer goods industries is picking up.

Wage agreements negotiated in 1966 have recently come into effect, and no further wage demands are expected until late this year. Gross monthly earnings of industrial workers in January of this year were up 15% over January 1966.

Price levels can be expected to move upward in the coming months due to increasing production unit costs. Consumer prices for the first four months of 1967 rose by 3% over the average of 1966 prices. Price rises have been greatest this year in the areas of transportation rates, housing expenditures, and cosmetic and health outlays.

U.S. exporters held a 4.3% share of total Austrian imports in 1966, a slightly smaller figure than the 4.4% recorded in 1965. Of a total of $2,328 million in imports in 1966, Austria bought $100.9 million from U.S. exporters, which was $9 million over the 1965 figure.

Austria's trade is shifting slightly from the EEC countries towards EFTA members, a consequence of the lowering of tariffs among the seven members and the adverse effect of the Common Market's common external tariff. The Federal Republic of Germany and Italy are Austria's largest trading partners. In 1966 EFTA supplied 16% of Austrian imports, while the EEC countries accounted for 59% over the same period.

EFTA countries took 19% of Austria's exports in 1966 and the EEC, 45%. Trade with Eastern Europe is increasing, with 15% of Austria's exports going to that area last year and 10% of her imports coming from there.

At the present time Austria continues to maintain some quantitative restrictions on imports, primarily on agricultural goods. At the beginning of 1967 the Austrian Government liberalized additional commodities from import restrictions. The small list of items still subject to restrictions includes medical preparations containing antibiotics, developed motion picture films, and lignite. The Austrian Parliament has recently passed an amendment to the road tax which eliminates certain de facto discriminatory elements in the automobile tax schedule to the benefit of U.S. automobile makers.

The U.S. Embassy in Vienna reports that Austrian importers look to the United States for items that are new, distinctive, specialized, and sophisticated, particularly in the industrial equipment field. Purchases of large and advanced equipment, especially machines with automatic features and other labor- and time-saving devices (such as invoicing and bookkeeping machines) are at a high level. The continued expansion of Austrian tourist facilities should provide a good market for a wide variety of equipment and supplies.

Austrian imports increased in 1966 in the following areas: garments and footwear, mineral oil products, passenger cars and trucks, iron and steel, ores and scrap metal, chemicals, non-ferrous metals, metal manufactures, machinery, precision tools, electrical apparatus, textiles.

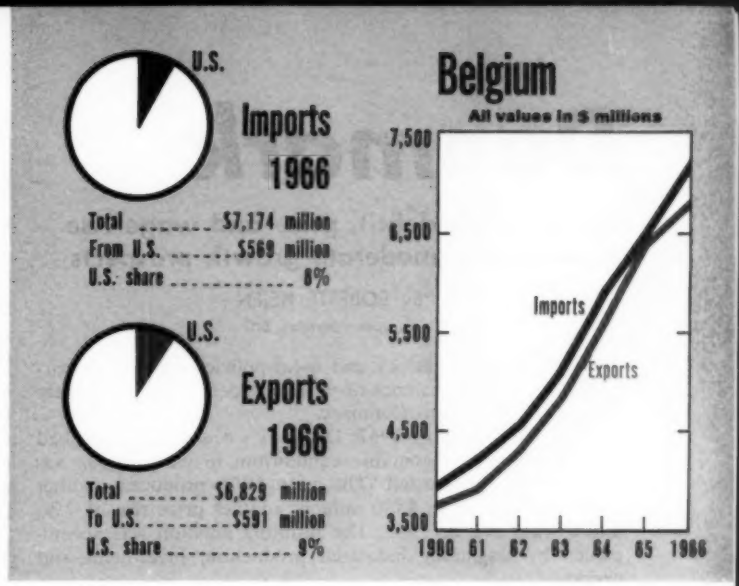
The Austrian Government is presently negotiating with the Common Market for an association with the Six. Even if an arrangement were worked out this year, the agreement would have no effect on trade in 1967.

CHIEF AUSTRIAN IMPORTS FROM U.S.: nonferrous metal ores, machinery, chemicals, plastics, tobacco, cotton, corn. **CHIEF AUSTRIAN EXPORTS TO U.S.:** machinery, motorcycles, bicycles, toys, glassware, sports equipment, clothing, synthetic fibers.

Belgium

Government expects imports to rise in spite of continued economic slowdown

By CATHERINE M. BRODNAN
European Division, BIC



In spite of a continuing slowdown of the Belgian economy, imports are expected to increase moderately in 1967, and U.S. sales to the Belgian market should share in this advance, rising approximately 5% above last year's level.

Growth of the Belgian import market should be facilitated by steadily rising domestic demand, increased private investments in plant and equipment, and a gradual expansion in overall industrial activity. Factors likely to contribute to an expansion of U.S. exports to Belgium include a favorable outlook for U.S. agricultural sales, particularly for feed grains and oleaginous seeds and cake, sizeable deliveries of U.S. aircraft and parts, and excellent opportunities for increased sales of U.S. capital equipment.

Estimated Gross National Product (GNP) for 1966 is $18.1 billion, up 3.5% in real terms from 1965 while Belgian GNP for 1967 is expected to increase approximately 3% in real terms.

Overall business activity has been somewhat sluggish this year, as evidenced by a below-normal accumulation of orders and an unusually high level of stocks.

Inflation to continue

Inflation is expected to continue to characterize the Belgian economy during 1967. Retail prices will rise principally due to the removal of direct price controls and the progressive incorporation of tax and wage hikes into consumer prices. Price increase in 1967 are expected to approximate last year's 4.2% advance.

Pay scales will also continue their steady rise upward, since almost all salaries and wages are tied to the retail price index.

Consumer demand, particularly for consumer durables, was not strong in the early months of 1967, but demand should pick up later this year as overall real incomes rise. This development should help boost sales of competitively-priced U.S. consumer goods.

Imports of the Belgium-Luxembourg Economic Union (BLEU) during 1966 reached $7,174 million, 10.4% above the 1965 level while exports totaled $6,829 million, up 7% from 1965. The sharp rise in imports was largely due to replenishment of stocks and raw materials that had been allowed to run down in 1965, greater food imports, and higher prices for many imported goods. The low rate of export growth, against one of 14% in 1965, was due to a decline in sales to West Germany and a low increase of exports to the Netherlands, Belgium's two most important markets.

BLEU imports from the U.S. in 1966 reached $569 million, 3.3% above the previous year. The U.S. share of the BLEU import market, which has been gradually shrinking over the past few years, dropped to 7.9%, from 8.5% in 1965. Export figures show that the United States took in $591 million of BLEU products, an 11.1% increase above the 1965 level, bringing the U.S. share of BLEU exports to 8.7%, up from 8.3% in 1965.

Total BLEU imports for January-February 1967 reached $1,132 million, a 5.3% increase over a similar period the previous year. BLEU exports for the first two months of this year totaled $1,168 million, 14.4% above the 1966 level. Figures on this year's trade with the United States are not yet available, but U.S. trade data indicate moderate increases in U.S. exports to the BLEU market for the first two months of the year.

Opportunities to increase sales of U.S. products in Belgium are particularly favorable for gas transmission and utilization equipment; industrial control equipment; electronic components; materials handling and earthmoving equipment; packaging machinery and materials; and scientific and technical measuring and testing instruments.

In 1966 BLEU experienced its first balance-of-payments deficit since 1959. The net outflow of $90 million was the result of a rapid growth of imports and a rise in purchases of foreign securities by the private sector. In 1967 a return to a surplus situation depends upon a sizable expansion of exports, which may not materialize because of the continuing slowdowns in the economies of BLEU's traditional trading partners.

U.S. Government trade promotion activities in Belgium for the remainder of this year will be highlighted by visits of the following industry-organized, government-approved (IOGA) trade missions:

● West Virginia State Industries (Sept.) ● Automation Magazine (Sept.) ● Minnesota State Industries (Oct.) ● Mississippi Marketing Council (Oct.) ● Young and Rubicam (Oct.).

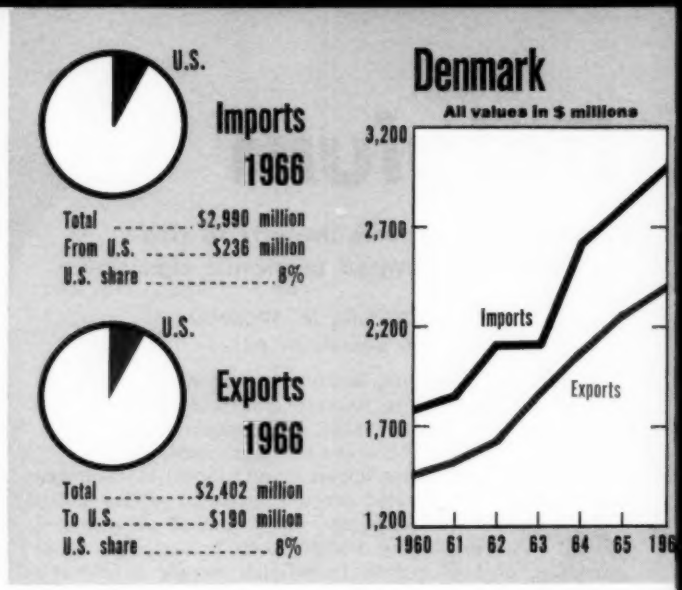
Investment demand should increase during the latter part of 1967, due to increased public investments and the effects of the government's investment stimulation policy. Special incentives have been introduced to attract investors, both domestic and foreign, to those parts of the country where industrilization is considered most urgent. These benefits, which include interest subsidies, loan guarantees, capital grants, etc., should initiate a strong resurgence in Belgian private investment, which will open up numerous opportunities for increased sales of U.S. capital equipment.

CHIEF BELGIAN IMPORTS FROM U.S.: grains, non-electrical machinery, chemicals, motor vehicles, food preparations, textiles, coal, aircraft. **CHIEF BELGIAN EXPORTS TO U.S.:** iron and steel mill products, diamonds, non-ferrous metals and products, textiles, motor vehicles, glass and glass products, photographic products.

Denmark

Danish trade deficit, price and wage rise produce only moderate growth prospects

By BOBETTE HEIEN
European Division, BIC



The remedial monetary and fiscal policies adopted to correct the persistent balance-of-payments deficit may adversely affect U.S. exports to Denmark.

At the beginning of 1967, Denmark's economy, which had showed improved economic equilibrium in early 1966, was again adversely affected. The year 1966 produced another trade deficit close to $580 million, another price rise of 7%, and a wage rise of 10%. The resulting inflation was accompanied by stagnating industrial production, investment and exports.

The Danish GNP reached the $12 billion level in 1966. Prospects are for a moderate (4-4.5%) rate of growth of the Danish economy in 1967, compared with a 2.4% increase during 1966. As the Danes see the 1967 situation, public expenditures and domestic demand will rise about 6% and will outpace the increase in capacity and the rise in total output.

If the expected increases in expenditure are to take place within the framework of a balanced expansion and not lead to undue pressures in the labor market and to further deterioration of the balance of payments, some strengthening of fiscal policy will be necessary to limit the increase in consumption.

The overall increase in private consumption may well be moderated by the Government's long-heralded tax reform which will come into effect July 3. The Government maintains that the anti-cyclical powers of the newly-enacted value-added tax will have contractive effects from its inception.

Economic slowdown

The reduced rate of increase in imports in 1966 is explained principally by a drop in imports of various raw materials. Although imports of machinery and equipment were up in 1966, the rate of increase slowed down, reflecting stagnation in industrial investment.

While total imports into Denmark increased 6% in 1966, imports from the United States declined 2%. As a result, the U.S. share of Danish imports fell from 8.5% to 7.9%. In fact, the U.S. share of the Danish market has been steadily declining since 1963. This trend is likely to continue as changes in the world price structure of bulk commodities will continue to cause a shift in suppliers away from the United States.

We can anticipate larger imports into Denmark of U.S. machinery and electrical equipment, tobacco, and textile products. Nonetheless, these imports cannot be expected to compensate completely for the fall in bulk commodity shipments.

In 1966, for example, declines in purchases of petroleum (−56%), chemicals (—12%), manufactured goods such as textiles and metals (−14%), and transport equipment (−27%) were not offset by increases for other principal commodities, including grains (+2%), tobacco (+9%), oilseeds (+3%), and machinery (+4%).

Exports from Denmark to the United States, on the other hand, were up about 25% due chiefly to larger shipments of canned meat products, furs, and machinery.

Persistent trade deficit

In every year so far in the 1960's—except 1963—the balance of payments has showed a deficit on current account. Over the years, the current external deficit has been covered by capital imports, so that the foreign exchange position has remained relatively strong.

At the end of 1966 official foreign assets (including IMF position) stood at $597 million, $10 million higher than the year earlier. This represents about 2½ months merchandise imports.

The failure of the balance of payments to improve as much as expected can mainly be ascribed to a slowdown of the growth of industrial exports. The apparent slackening in Denmark's share of important European markets reflects weakening in the traditional markets of West Germany, Sweden, and the UK, which account for 40% of her industrial exports.

The position of EFTA both as supplier and buyer improved slightly in 1966, while that of the EEC weakened. The removal of the remaining industrial tariffs within EFTA as of Jan. 1 will benefit Danish exports, but it also means that Denmark must expect sharper competition in the domestic market.

Danish agriculture is concerned about the completion of the EEC agricultural arrangements, which have been described as mounting protectionism. This has inspired support for Danish accession to the Common Market.

Denmark has now decided to suspend the bilateral trade agreements with Colombia and Brazil during this year, and following this decision Denmark has also decided to make her currency fully convertible—the 29th member of the IMF to attain this status.

CHIEF DANISH IMPORTS FROM U.S.: machinery, oilseeds, grain, feedstuffs, tobacco, transport equipment, plastics, fruit and vegetables, professional instruments, chemicals. **CHIEF DANISH EXPORTS TO U.S.:** meat and meat products, furniture, hides and skins, dairy products, fish.

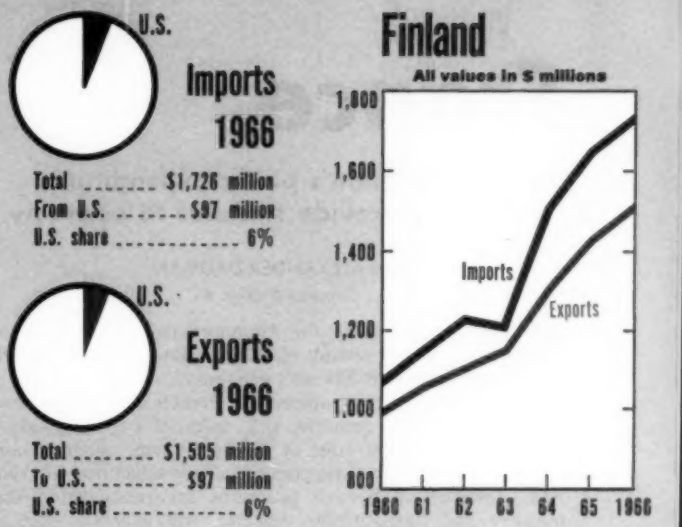
Exports product prospects

The products or lines which appear to have the best potential for U.S. exporters in the Danish market are labor-saving equipment, such as packaging and materials handling machines; man-made fiber textiles and fabrics; laboratory apparatus and scientific equipment; and know-how for merchandising and marketing techniques, control procedures and advertising concepts.

Finland

Removal of restrictions aids U.S. exports; most non-farm goods now quota-free

By HAROLD A. McNITT
European Division, BIC



U.S. sales to Finland this year will not depart significantly from last year's level. Finland bought goods from the United States valued at nearly $100 million in 1966.

Tight credit conditions remain a restraining factor in Finnish demand for both capital equipment and consumer articles. Increased taxes on several items, including automobiles, are also affecting demand. On the brighter side, recent Finnish moves to stimulate domestic investment may create new opportunities for capital equipment sales during the year.

Finland's gross national product (GNP) reached $8.7 billion in 1966, a 2.2% increase over the previous year. This compares with an average annual growth rate of 5% during 1960-65.

The tapering of growth last year is attributed to several factors, including softness of demand for several of Finland's key forest product exports and the prevalence of extremely tight money conditions. Finnish economists predict that the economy will continue to move forward slowly this year, with a growth of GNP in the 2-3% range.

Price and wage levels continued to rise in Finland last year. The consumer price index climbed 5% while average hourly earnings increased approximately 9%.

The Finnish Government has employed several measures during the past three years to hold down inflationary pressures and equally to restrain demand for imports. Several central bank measures, including tight rediscounting rules, have been used to limit commercial bank lending capacity. Recently a number of taxes were increased, among them the general sales tax, the automobile tax, various excise taxes, and income taxes on most income brackets (INTERNATIONAL COMMERCE, Feb. 6, 1967).

U.S. sales decline

The dip in Finnish economic activity last year was accompanied by a decline in domestic investment expenditures. U.S. sales were directly affected.

Finnish purchases from the United States were valued at $97.4 million, 4% below the high-water mark of 1965. A 10% drop in sales of U.S. nonelectric machinery was the main reason for the decrease, since machinery is the largest U.S. export to Finland. Also contributing to the decline was a 23% fall-off in sales of U.S. automobiles under the impact of a sharp hike in the automobile tax in mid-1966. A brighter picture was presented by sales of U.S. foodstuffs (up 12%) and electrical machinery (up 4%).

On Jan. 1 Finland removed quantitative import restrictions from more than 30 items, many of which are of interest to U.S. exporters (INTERNATIONAL COMMERCE, Jan. 30, 1967). Most non-agricultural goods entering Finland from the United States are now free of quota restrictions. Finland plans to remove nearly all of its remaining quotas on industrial goods by Jan. 1, 1968.

The Finnish market remains vigorous for needed products in spite of current credit and tax restraints. The American Embassy in Helsinki reports that the pharmaceutical and plastics fields are growing rapidly. Demand for plastic raw materials has doubled since 1965. Increased demand is also anticipated for metalworking machinery, textile and shoe industry machinery, office machinery, and data processing equipment. Finland remains an attractive market for food specialties as well as novel and high-quality consumer articles.

Finland's balance-of-payments situation remains a serious problem. In 1966, Finland's imports exceeded its exports by $221 million, a deficit slightly larger than in 1965. Net foreign exchange holdings at the end of Mar. 1967 were valued at $99 million, enough to cover barely three weeks' worth of imports at the current rate.

CHIEF FINNISH IMPORTS FROM U.S.: machinery, manufactured articles, fruit and grains, chemicals, raw materials, transport equipment. CHIEF FINNISH EXPORTS TO U.S.: paper and paper products, articles of wood, wood pulp, machinery, manufactured articles, furs.

In order to support Finnish Government efforts to restore balance-of-payments equilibrium, the International Monetary Fund in March approved a standby credit for Finland. The IMF credit authorizes Finland to draw up to the equivalent of $93.75 million over a twelve-month period. By strengthening Finland's foreign exchange position, the credit will make it possible for the Government to work more effectively toward a long-term improvement of the balance of payments.

Customs regulations

As part of its program to reduce the trade deficit, the Finnish Government recently began requiring that certain imported goods be paid for in full before clearing Finnish customs. (The requirement also applies to storage of such goods in Finnish customs warehouses or free trade zones.)

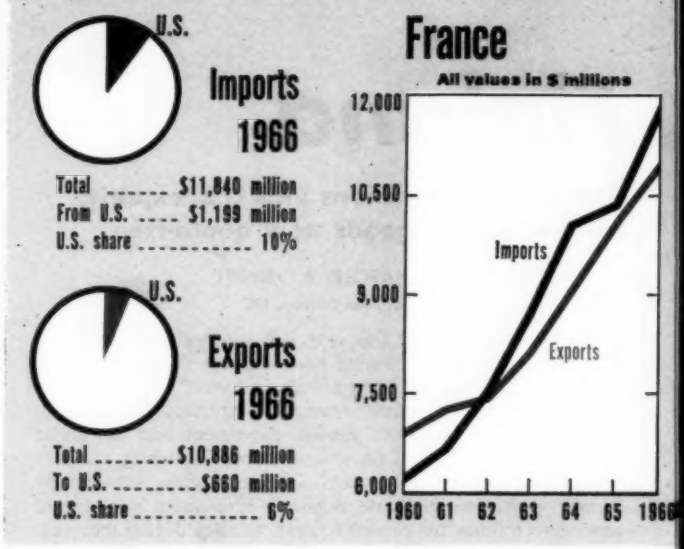
The current list of goods subject to the requirement includes household articles, textiles, footwear, clocks and watches, furniture, motor vehicles, tractors, and tires. It is too early to ascertain the impact of this practice on U.S. exports to Finland.

Finnish businessmen are frequent visitors to the U.S. Trade Center in Stockholm, outnumbering all other visitors from outside Sweden. Trade Center shows are thus an effective way of displaying products to interested Finnish businessmen at modest cost. Numerous agency and other business contacts have been reported.

France

Increase in nation's public expenditures expected to provide stimulus to economy

By ALEXANDER DAUMAN
European Division, BIC



French imports from the United States in 1967 should exceed their 1966 record of $1.2 billion, in spite of the present slackening of France's economy.

The continued strong uptrend in French investment favors exceptionally large gains in U.S. sales of capital goods to France. Massive deliveries of big-ticket items, such as commercial jets and electronic computers, are scheduled for 1967. Also, the current French programs for rationalizing their industry and strengthening research will generate excellent export opportunities for a wide-range of technologically-advanced U.S. engineering products and scientific instruments.

A strong U.S. performance in exports of capital goods and certain other commodities—e.g. coal and cotton—should largely compensate for setbacks which may occur in some of the other categories.

The outlook for industrial raw materials, semi-manufactures and consumer goods is generally less favorable than a year ago.

The 1967 GNP should rise about 4% in real terms over the $100 billion in 1966. The annual increase was 5% last year.

Imports from the world in 1967 are expected to advance about 8% over the 1966 record of $11.8 billion. The latter represented an increase of 14.5% over 1965. However, Jan.-Apr. imports of $4.3 billion were only 8.5% over the first four months of 1966.

U.S. sales expand

Imports from the United States in 1966 of $1.2 billion were up 10.2% over 1965. In Jan.-Apr. of this year they rose 12.3% over the first four months of 1966, to $448 million.

Outstanding increases in shipments of aircraft, electrical equipment and office machines led the advance. The U.S. share of total French imports increased slightly to 10.3% from 10.2% for Jan.-Apr. 1966.

Products believed to offer exceptionally good opportunities for exports to France include: industrial process control instruments, data processing equipment, electronic components, scientific and laboratory equipment, machine tools and electric power equipment.

The U.S. Department of Commerce is planning an exhibit of equipment for the chemical industry at the Paris International Chemical Exhibition in May 1968.

The French economic situation reflects a partial weakening of internal and external demand factors. Private consumption is presently inching up at an annual rate of 2% to 2.5% in real terms. Public and private sectors maintain a fairly tight lid on wages. Unemployment is close to 2% compared with 1.5% at the start of 1966.

Due to relaxation of Government price controls and decreed boosts in prices of utilities and transportation, the cost of living may rise more than 3% for the year, compared with 2.8% in 1966.

Exports slacken

Exports continue to slacken due to the softening of the economies of France's principal trading partners, e.g. West Germany and the United Kingdom.

Public and private investment—expected to average 9.5% over 1966—is the principal dynamic element of demand. There are indications that the construction industry is emerging from last year's recession.

Particularly strong rises in investment are expected in building, utilities, transportation, telecommunications, distribution, and iron and steel. The steel industry will probably increase outlays for plant and equipment by 30% over 1966.

With the exception of machinery and semi-manufactures, most industrial sectors, including the key automobile industry, report levelling off of production. A number of sectors, including soft goods, report stagnation or declines in output.

CHIEF FRENCH IMPORTS FROM U.S.: machinery, chemicals, nonferrous metals, grain, feed, instruments, aircraft, coal. CHIEF FRENCH EXPORTS TO U.S.: steel, machinery, chemicals, alcoholic beverages, automobiles, noferrous metals, aircraft, textiles.

Government acts

After a quick evaluation of the situation, the French Government recently announced the following measures to stimulate the economy: acceleration of procurement by the Government and nationalized industries; increase in credits to municipalities for public projects; better long-term credit facilities for the communications industry and for exporters; expanded credits for housing, relaxation of regulations on installment credit for automobiles, and TV and radio sets; and raising the limit on credit by finance companies.

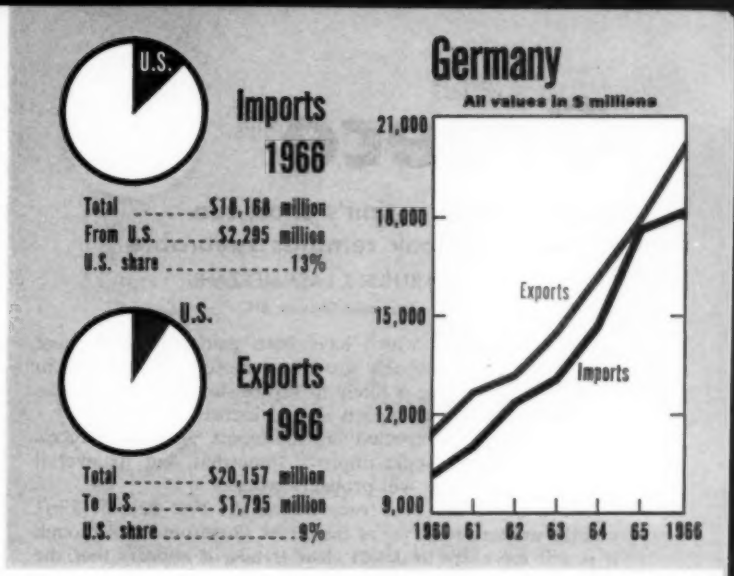
A significant stimulus to the economy will be provided by increases in public expenditures, expected to lead to a $1.2 billion deficit in the 1967 budget. The recently approved additional appropriations include $600 million for Social Security and $250 million for investment loans to industry. A similar loan will probably be repeated later in the year and additional expenditures will be proposed.

With imports rising faster than exports, a large trade deficit is looming for 1967. The balance of payments, however, will probably remain in equilibrium partly due to the inflow of short-term funds attracted by high interest rates. Foreign exchange and gold reserves will probably stay at about their present high level of $5.7 billion through 1967.

Germany

U.S. must work to maintain current large share of nation's valuable import market

By JOHN CRAWFORD
European Division, BIC



Recovery from the downturn in business activity has started later and at a much slower pace than originally expected. Increasing German exports are now one of the mainstays of the economy, while imports still lag considerably behind the volume realized in the corresponding period of last year.

A chief reason for the slow start of the recovery is a reluctance on the part of private industry to make new investments. Countercylical measures taken by the Government have had so far only a limited effect. Orders placed with manufacturers are down roughly 10% from a year ago. Consumers are slow to spend for durable items. For the first time in many years there has been an appreciable rise in unemployment. Workers also fear shorter work-weeks. On the other hand, non-durable consumption is holding up very well and German exports continue to substantially exceed imports.

As the economic recovery gains momentum, the gross national product will grow again, but the total for 1967 is unlikely to show more than a small gain over 1966. The 1966 rate of increase over 1965 was nominally 6.4% or 2.7% in real terms.

Industrial production indices have fallen in many industries, but have also shown noticable recovery in some sectors, such as building and some primary products.

Unemployment reached a peak at 3.1% in February, but had declined to 2.3% in April, due in part to seasonal improvement. There were 576,000 people looking for work in March against 141,000 a year ago. There are also 15% fewer foreign workers in Germany than there were a year ago. Employment is expected to rise, however, as the year progresses.

Industrialists wait

The central bank has responded to the needs of the economy by lowering the discount rate in four successive steps from 5 to 3%, one of the lowest rates in recent German history. German capital markets have followed suit. The mid-1966 interest rates of over 9% on some discount bills are a thing of the past: commercial rates now are around 7%. Nevertheless, with the general softening of demand in many areas, industrialists prefer to wait and see before they invest.

Because of the slackening demand some manufacturers have made price cuts, these cuts had no significant effect on the total price picture, however: between Mar. 1966 and Mar. 1967 the wholesale price index declined by less than ½%.

The U.S. share of the German import market has remained virtually stable: 13% in 1965 and 12½% in 1966, including German Government purchases, but future Government purchases are likely to decrease.

Competition from exporters in other Common Market countries is likely to increase due to the lowering of tariffs among EEC nations that went into effect on July 1. In addition, many goods which were formerly imported are now produced within the EEC by the same manufacturers. Therefore, if the U.S. is to maintain its present share of the German market, special export promotion efforts will be needed.

In terms of broad product categories, U.S. agricultural goods, such as oilseeds, tobacco, corn and other grains are expected to maintain their traditional importance in the German market. In spite of the drag in capital investments, there is usually a market in Germany for sundry American machinery and instruments which are uniquely advanced or specialized.

CHIEF GERMAN IMPORTS FROM U.S.: machinery, oil-bearing seeds, aircraft, chemicals, electrical and electronic equipment, tobacco, corn, coal. CHIEF GERMAN EXPORTS TO U.S.: automobiles, industrial machinery, iron and steel products, electrical and electronic equipment, precision instruments, chemicals.

German sales to the world rose 12% during the first four months of 1967, compared with the same period of 1966. At the same time German imports from the world fell 6%. The resulting surplus of over $1.5 billion is huge, even for Germany, a country which usually runs a surplus on trade account. This surplus lends extra credence to German assertions that they will take no measures to cut imports in order to boost employment. On the contrary, Germany seeks to maintain imports as an economic stabilizer.

Government efforts

The Government has been trying to fight the downturn by moderate deficit spending and by enacting new legislation. A $675 million contingency budget for "extraordinary investment" was approved early in 1967. The Government has also moved to speed up regular Federal investment outlays, and is urging the states and municipal governments to follow suit.

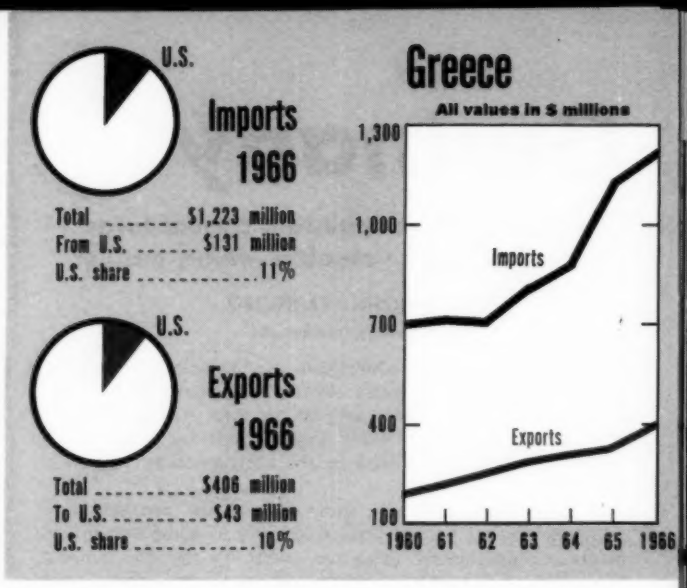
The Federal Parliament recently passed a stabilization law allowing the Central Government more power to counteract excessively expansionary or contractionary developments without prior parliamentary approval. The major features of the law include (1) an authorization to vary corporation and income taxes by 10% in either direction; (2) an authorization to institute a 7½% investment tax credit in time of recession and to cut depreciation allowances in time of boom; and (3) an authorization to borrow up to $1.25 billion on the capital markets to finance Government investment in time of recession.

Greece

Despite coup, nation's short run economic outlook remains favorable

By ARTHUR J. LAEMMERZAHL

European Division, BIC



Greece's imports, which have been gaining rapidly from year to year, will probably grow at a more moderate rate in 1967. The U.S. share is likely to shrink slightly, although the absolute value of our exports should increase.

Because of the expected lag in import growth, Greece's balance of trade should improve somewhat, but its overall balance of payments will probably worsen.

The major event in Greece during the first half of 1967 was the military takeover of the Greek Government. Although it is still too early to detect clear trends, it appears that the initial effect of the coup will be to cause a slackening of invisible earnings (tourism, transportation, and emigrant remittances) and to decrease imports (by delaying certain public investment projects).

Otherwise, foreign trade is likely to continue as before, with the U.S. share dropping slightly because of increased competition from the Common Market, and because no major U.S. investment project is likely to get underway before the end of the year.

Growth prospects good

Gross National Product (GNP), which grew by about 7.5% in real terms during 1966, will probably increase at close to the same rate in 1967. The most recent estimate shows a 1966 GNP of $5.9 billion.

The outlook for Greece's continued economic growth, at least in the short run, remains favorable. By any accounting, the country has one of the fastest growing economies in Europe. Its momentum, which was successfully maintained through previous crises, is sufficient to give the government time to set up new policies and programs.

The government thus has an excellent opportunity, but the problems facing it are formidable: it must expand the productive sector of industry, curtail bureaucratic intervention in the economy, provide broader standards of welfare and education, rationalize and modernize the structure of industry and agriculture, and at the same time prevent inflationary price increases.

Previous governments have emphasized one or the other of these goals; the new government is going to try to attack all these problems at once.

After a strong showing in the first part of 1966, U.S. exports to Greece fell back, so that our share of the Greek market was only slightly ahead of our share in 1965 (10.7% vs. 10%). The stimulus to U.S. exports in the early part of the year was the sale of intercontinental jet aircraft to the Greek airline.

In the absence of further such transactions, or a major investment project, the U.S. share of the Greek market may be slightly lower in 1967.

One other factor working against increased U.S. exports to Greece is the growing competition resulting from Greece's association with the Common Market. On May 1 of this year Greece effected its fourth consecutive tariff reduction on Common Market products on which Greece is obligated to wipe out import duties over a period of 12 years. With this cut, the total duty reduction on such products now amounts to 40%.

The Common Market share of the Greek Market rose from 38% in 1965 to 40% in 1966.

Sales prospects for American capital goods remain favorable. Among the best opportunities for sales are electrical equipment, accounting machines, farm machinery (especially cotton pickers), and food processing equipment. Many lines of U.S. consumer goods also enjoy brisk sales in Greece.

The final balance of payments data for 1966 paint an uncertain picture of the Greek economy's status and prospects. Despite a slowdown in imports—mainly in captial goods—and a speedup in exports, mainly in sales of surplus wheat, last year saw the greatest mechandise deficit in the country's history.

Gains in most categories of invisible earnings brought the current account deficit down slightly below 1965's record. One invisible inflow, remunerations from workers abroad began to turn down after years of rapid growth.

By the end of 1966, for the first time ever, the level of Greece's official assets was exceeded by the level of foreign supplier's credits to Greece. These trends form the background to the future policy decisions of the newly established Greek Government.

Encouragingly, this Government has gone on record as opposing the expansion of quantitative restrictions on commodity imports.

CHIEF GREEK IMPORTS FROM U.S.: aircraft, corn, industrial machinery, electric power machinery, vegetable oil, dressed furskins. **CHIEF GREEK EXPORTS TO U.S.:** tobacco, aluminum, yarn, refractory materials, dressed furskins.

Law provides incentives

A fourteen-year-old law providing incentives to potential foreign investors in Greece, while reasonably successful in attracting foreign investment, has not entirely lived up to expectations. Bureaucratic delays and political instability have offset somewhat the benefits provided under the law.

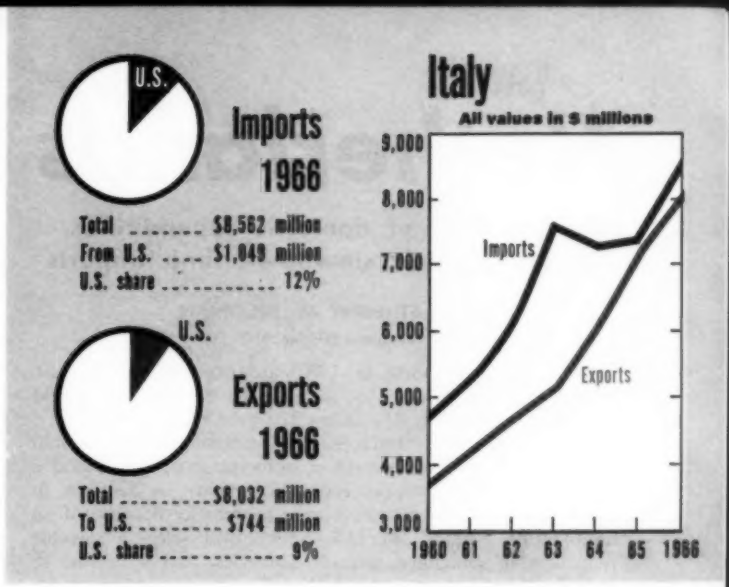
An encouraging sign, therefore, is the swift and decisive manner in which the recent negotiations with Litton Industries were concluded. This contract calls for Litton to provide $830 million in foreign investment over the next 12 years for the development of Crete and the Western Peloponnesus.

Whether this will signal a renewal of confidence in Greece by foreign investors remains to be seen.

Italy

Economic upswing should continue to strengthen demand for imports

By ALAN O. MAURER
European Division, BIC



Prospects for U.S. exports to Italy appear favorable for the remainder of this year, based on the current rate of expansion of the Italian economy and an expected overall rise of 15% in total Italian imports.

The Italian economy continues its strong expansion which began in 1965. Industrial production rose 12% during 1966, the largest annual increase since 1960, and this rate is expected to continue for the remainder of 1967.

Investment continues to increase considerably following the recession which lasted nearly three years. The industries which are likely to receive the greatest amount of investment funds in 1967 include those producing mechanical products, oil and coal derivatives, artifical fibers, and paper and printed products.

Investment increases in the private sector together with a higher level of investment in public enterprises, and further rises in consumption, are all likely to contribute to an expansion of about 6% in overall domestic demand for goods and services during 1967. In this situation imports are likely to rise substantially.

Relatively stable prices and a continued surplus in the balance of payments are additional positive factors in the Italian economy.

The gross national product rose 5.3% in 1966, reaching a total of $54.1 billion in real terms. According to the latest projections, Italy should attain an economic growth rate of around 6% in 1967.

Businessmen confident

The confidence of the Italian business community is very high. A recent survey by the National Institute for the Study of Economic Trends (ISCO) in Italy reported an atmosphere of extreme confidence and optimism among manufacturers. On the basis of orders on hand, production activity of these manufacturers is assured for an average of five months, which is greater than the average for any quarter of 1966.

The current economic expansion is being achieved without significant inflationary pressures. A de facto freeze on wages has prevailed throughout most of the past year because of a general collective bargaining impasse.

This has helped to reduce demand pressures on the economy, which is reflected in the relatively small changes in price levels. The wholesale price index rose only 1.5% in 1966, while the retail price index was up 2.3%. This relative price stability is expected to continue for the remainder of 1967.

The United States is Italy's third largest trading partner, ranking behind the Federal Republic of Germany and France. Although total imports from the U.S. increased nearly 6% in 1966, our share of the import market declined slightly. U.S. exports to Italy in 1965 totaled $993 million, about 13% of the total. In 1966 the comparable amount was $1,049 million, with a U.S. market share of about 12%.

Total Italian imports went up by about 16% in 1966 and are expected to show a similar increase in 1967. Total Italian exports rose by nearly 12% in 1966. They are expected to increase by about 8% in 1967.

Prospects are good for U.S. exporters to increase their sales to Italy in 1967. Besides the expected economic growth rate of 6%, Italy's efforts to close the technological gap and to develop the South will provide a good market for U.S. products of both consumer and investment goods.

However, these prospects may be dampened somewhat by increased competition from other EEC countries, especially Germany, where the current weakening of domestic demand has led industry to step up its export efforts. This competition may be accentuated by the further tariff reductions within the EEC that went into effect July 1.

Nevertheless, U.S. exports to Italy are still expected to increase by 5 to 10%.

U.S. products which appear to have the best sales possibilities in Italy include cattle, feed grains, meat, industrial machinery and equipment, aircraft, and farm equipment as well as a large variety of products needed in conjunction with the Five Year Economic Development Plan (including schools, scientific and technological research, telecommunications, hospitals and public housing).

The Italian balance of payments showed a surplus of $696 million in 1966, down considerably from the $1.6 billion level of 1965. For 1967 the balance of payments is likely to show a still smaller surplus of around $300 million, due mainly to an expected larger trade deficit.

CHIEF ITALIAN IMPORTS FROM U.S.: corn, coal, oil seeds, copper, cereals, chemical products, cotton, scrap iron, aircraft, machinery, lumber, precision instruments. CHIEF ITALIAN EXPORTS TO U.S.: apparel, office machines, motor vehicles, steel, food products, beverages, shoes, machinery.

Trade Center shows

The U.S. Trade Center in Milan continues to attract a large number of participants. The Center provides a permanent location for American industrial exhibits, offering on-the-floor sales as well as long-range promotion possibilities. Shows scheduled for the second half of 1967 are: materials handling equipment (October); plastics working equipment (November); and automotive testing and service equipment (December).

The construction industry is still a weak spot in the Italian economy, although there has been a slight improvement in recent months. Public investment in construction has been increased to take up some of the slack resulting from the drag in private construction expenditures.

Netherlands

Lower growth of domestic expenditures, overall economic slowdown limit imports

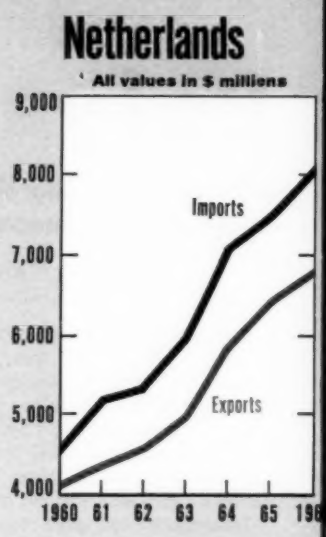
By CATHERINE M. BRODNAN
European Division, BIC

Imports 1966

Total ..... $8,017 million
From U.S. ..... $910 million
U.S. share 11%

Exports 1966

Total ..... $6,749 million
To U.S. ..... $307 million
U.S. share 4%



Total Dutch imports in 1967 are expected to increase only moderately, while U.S. sales to the Netherlands should decline approximately 2% below last year's record level.

Expansion of the Dutch import market this year should be limited by a lower growth of domestic expenditure and a sharp slowdown in overall economic activity. A decrease in U.S. exports to this market is expected chiefly because of an unfavorable outlook for U.S. agricultural sales, a sizeable reduction in scheduled aircraft deliveries, and a decline in Dutch private investment which will limit opportunities for increased sales of U.S. capital equipment.

Gross national product (GNP) in 1966 reached $20.9 billion, up 4.5% in real terms from 1965. GNP for 1967 is expected to increase approximately 3.5% in real terms. Industrial production should rise 4% this year, 1% below last year's growth rate.

Inflation will continue to characterize the Netherlands' economy during 1967, although wage and price increases will be somewhat below those of last year. Consumer prices are expected to rise 4.5%, compared to a 6% advance in 1966.

The total wage bill per employee should increase approximately 8% during 1967, although the Government has announced that the permissible rise in contractual wage rates is 4%, with an additional 1.5% rise allowable on July 1. This year's 8% increase is slightly below last year's, when total wage costs, including social benefits, rose 10.5%.

The more moderate wage increase this year will keep private consumption gains at about 3%, compared with 4.5% in 1966. This increase, together with steadily rising price levels, should help boost sales of competitively-priced U.S. goods.

Imports for the entire year 1966 reached $8,017 million, 7.5% above the 1965 level; exports totaled $6,749 million, up 5.6%. Netherlands imports from the United States last year jumped to $910 million, almost 19% above the previous year. The U.S. share of the Dutch import market rose to 11.4%, from 10.3% in 1965. Dutch exports to the U.S. in 1966 totaled $307 million, more than 26% above the 1965 level.

Total Dutch imports for the first four months of 1967 amounted to $2,728 million, only 0.6% above the similar 1966 period. Jan.-Apr. imports from the United States totaled $287 million, a 12.2% decrease from the first four months of last year, reducing the U.S. share of the Dutch import market to 10.5%, from 12.1% in 1966.

Dutch exports for Jan.-Apr. of this year reached $2,321 million, up 10% from the like period of 1966. Jan.-Mar. exports to the United States jumped to $81 million, 29% above the first three months of 1966.

Opportunities to increase exports of many U.S. products to the Netherlands are excellent, particularly for laboratory, testing, automation and control equipment; plastic materials, products, and machinery for plastics production; copying machines; photographic equipment and supplies; paper, paperboard, and paper products; packaging, filling, and bottling machinery; air and water purification equipment; and prefabricated buildings and components.

For 1967 official Dutch forecasts predict a balance-of-payments surplus of $138 million, in contrast to a deficit of nearly $220 million last year. This estimate is largely based on a 9% increase in Dutch commodity exports arising from increased agricultural production and the application for export purposes of underutilized productive capacity. A favorable balance-of-payments result for 1967 will help to ease the extremely tight monetary situation.

U.S. Government trade promotion activities in the Netherlands for the rest of this year will be highlighted by several industry-organized, government-approved (IOGA) trade missions. These include the West Virginia State Industry Mission this summer and the Mississippi Marketing Council Trade Mission this fall.

CHIEF NETHERLANDS IMPORTS FROM U.S.: corn and other grains, aircraft and parts, oil seeds, animal feeds, non-electrical machinery, organic chemical products, electrical machinery, coal. CHIEF NETHERLANDS EXPORTS TO U.S.: electrical machinery, canned ham, sea-going vessels, office machines, flower bulbs, musical instruments and phonograph records, organic chemical products.

Private investment down

Continued scarcity of capital and shrinking profit margins will result in a 1% decline in Dutch private investment in 1967, compared to a record 8.5% growth last year. Expansion in the important construction industry should also slow down, although a 3% gain is anticipated.

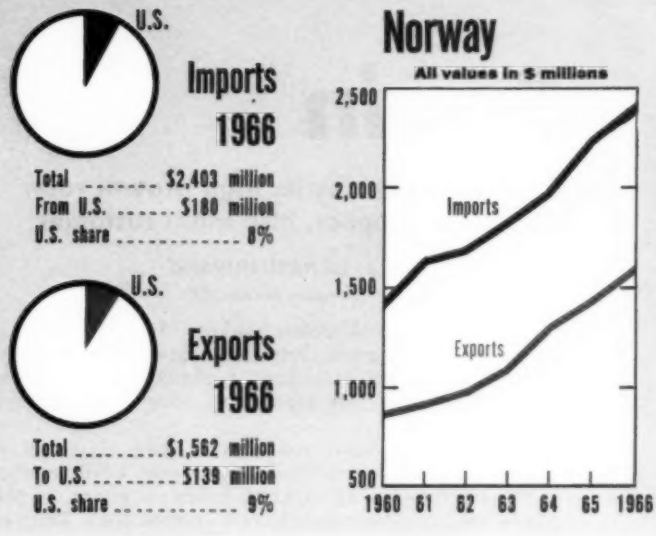
Faced with rising costs and faltering sales, numerous Dutch firms are shutting down, dismissing or laying off personnel, or introducing shorter working hours. Hardest hit have been the textile and metal-working industries, although many other sectors of Dutch industry are faced with structural difficulties, including coal mining, shipbuilding, construction and transportation.

Unemployment, traditionally less than 1% of the gainfully employed population, has risen to almost 2.5%, a level which is expected to continue throughout the remainder of 1967. This unemployment is regionally concentrated, however, and a considerable shortage of capable and skilled labor still exists in the western part of the country.

Norway

High level of demand continues for raw materials, capital goods

By BOBETTE HEIEN
European Division, BIC



The current outlook for U.S. exports to Norway is for a continued high level of demand for a broad range of raw materials, capital goods, and consumer products. However, the gain may not be as impressive as the 16% increase recorded in 1966 over 1965.

Economic activity in Norway continued at a high level, although the growth in GNP eased off during 1966 due to a limited supply of manpower, full utilization of capacity, and decreasing demand in some export markets.

GNP rose 4.4% in real terms during 1966 to $8.5 billion, which was above the Western European average, although less than the rate of 5.5% during the preceding years.

Prospects point to a further, but perhaps slower, increase in activity in the rest of 1967. Authorities expect a 5% increase in real GNP, with most sectors sharing in the expansion.

The main task ahead for Norway is to sustain the ratio of economic growth experienced so far in the 1960's. This can best be achieved by exercising some restraint on demand during the present favorable business conditions.

Internal economic pressures

The Norwegian economy is suffering from excessive demand pressures. The cause is primarily an over-expansive 1967 State budget assisted by high levels of private investment and consumption, boosted by the March incomes settlement. The symptoms are rising prices, an expanding trade deficit caused by higher imports, a tight labor market, and substantial wage drift.

In order to avoid aggravated pressures on the country's economic resources, the Government decided in March to introduce measures of a moderately restrictive nature in order to dampen the expansionary tendencies of the economy. Among the actions taken in the field of fiscal policy were the limitation on the growth of Government building activity and tax measures designed to stimulate private savings.

In addition, an agreement was reached between the Ministry of Finance, the Bank of Norway, and the Association of Norwegian Commercial Banks on credit policy in 1967. The commercial banks have undertaken not to increase their outstanding loans (both in Norwegian kroner and foreign exchange) by more than $98 million during 1967. Moreover, the banks will give priority to loans financing production, exports, housing construction, and structural changes within industry. According to present plans, investment in new machinery and transport equipment in Norway this year will total about $1 billion.

The general trend for the last year has been for imports to rise faster than exports, reflecting the continuing high level of domestic demand, as well as weakening demand abroad caused by cyclical conditions in West Germany, Sweden, the UK and the United States, which account for more than 60% of total exports. Another contributing factor is the oversupply in pulp and paper and fisheries products.

Norway's total imports (excluding ships) during 1966 amounted to $1,848 million and exceeded imports in 1965 by nearly $219 million, or 12%. Imports from the United States amounted to $180 million, up $25 million from 1965.

The United States ranked as Norway's fourth largest supplier, providing 8.69% of Norway's merchandise imports. Imports from the EFTA countries rose by 14% whereas imports from the Common Market countries were only 8.4% higher than in 1965.

The volume increase in imports of commodities (excluding ships) is estimated at about 5% for 1967, less than half the increase in the preceding year.

The U.S. share of the market during recent years has remained quite stable at 7-8% of total imports. It is anticipated, therefore, that the U.S. will share in the modest import increase forecast for 1967 and have a proportionate rise in exports to Norway.

CHIEF NORWEGIAN IMPORTS FROM U.S.: machinery, grain, oilseeds, transport equipment, fruits and vegetables, chemicals, petroleum, tobacco. **CHIEF NORWEGIAN EXPORTS TO U.S.:** metals and metal manufactures, fishery products, hides and skins, fertilizers, machinery.

Record payments deficit

After five consecutive favorable quarters, Norway's current account deficit shot up unexpectedly to a record $149 million during the fourth quarter of 1966. A record $300 million current account deficit is forecast for 1967.

The shipping industry is undergoing a structural change in the form of a shift to larger and more efficient units. Therefore, the imports of ships are expected to reach a record level, on the basis of outstanding contracts, to a value estimated at $490 million, which is $154 million more than in 1966.

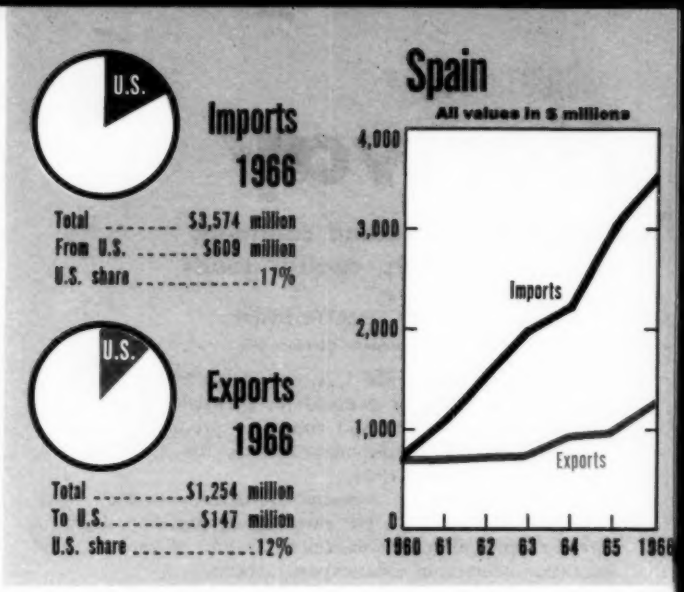
Foreign exchange reserves are considered adequate should there be a drain to finance the deficit. Gross foreign exchange reserves (including private holdings) rose $7.1 million during the first quarter and totaled $839 million on Mar. 31.

Many Norwegian companies are going through a healthy stage of rationalization, integration, and consolidation to make their products more competitive in EFTA as well as world markets. This situation plus the increasing domestic demand will create marketing opportunities for U.S. exporters, especially for capital equipment embodying advanced technology and design to offset rising production costs.

Spain

Economy continues its high growth rate; U.S. prime supplier, also main customer

By RICHARD HUMBERT
European Division, BIC



Despite a large trade deficit last year ($2.3 billion), which has brought about certain Government measures to slow down the surge in imports, U.S. firms should continue to find excellent opportunities for exporting a wide variety of commodities to Spain.

The Spanish economy continues to grow at one of the highest rates in Western Europe; last year GNP increased 10.5% (current terms) to $24.6 billion, a greater increase than in 1965, and per capita income reached $665. This year, GNP is expected to increase again by 8-10%.

In recent months, however, the economy has experienced increasing inflationary pressures together with a slackening in industrial output. Decreasing domestic production and mounting inventories have hit certain sectors particularly hard—electric household appliances, non-ferrous metals and motorcycles. A cut-back in private investment is causing the Government to consider reflation of the private sector despite the threat of new inflationary pressures brought about by high levels of public expenditure and a continued large volume of imports.

In the first quarter of the year, the cost-of-living index rose 1.2% and wholesale prices rose by 1.9% over the same period in 1966. Based on six months from Sept. 1966 to Mar. 1967, the cost-of-living index is expected to rise nearly 9% for the one-year period ending in September.

Last year total imports increased 19%, hitting $3,574 million, with the United States remaining the principal supplier, accounting for $609 million, or 17% of the market.

Preliminary data for the first four months—$1,195.4 million—indicate an 8% drop in total imports, with the United States supplying $202.9 million. This trend shows that the United States could maintain its share of the market in 1967, but American businessmen can expect to face increased competition from the United Kingdom, the Common Market countries, and some of Spain's trading partners in the countries of Eastern Europe and Latin America.

U.S. biggest customer

Principal commodities imported by Spain in 1966 were: machinery and transport equipment, electrical and power equipment, foodstuffs and grains, minerals, chemicals, metals and metal manufactures. The United States supplied $200 million in machinery and transport equipment, with food and live animals amounting to $114 million.

Last year, for the first time, the United States became Spain's principal customer, taking approximately 11.3% of the total $1,254 million in exports. This represented a spectacular 37% increase over 1965.

Sales opportunities plentiful

While trade liberalization continues to be the Government's stated policy, administrative tightening in the issuance of import licenses and in the clearance of goods through customs will undoubtedly continue to be applied in the coming months.

In addition, as production of new items is developed, there may be increased pressure from business and labor unions to impose higher tariffs and/or more stringent import controls. Import substitution of some products such as iron, steel, chemicals and cement will probably take place. The recent slowdown in investment will no doubt cause a reduction in orders for some types of capital equipment.

CHIEF SPANISH IMPORTS FROM U.S.: soya beans, corn, machinery and transport equipment, coal, tobacco, animal feedstuffs, animal and vegetable oils and fats, chemicals. CHIEF SPANISH EXPORTS TO U.S.: olives and olive oil, canned foodstuffs, wines, footwear, yarn, textiles and clothing, non-electric machinery, chemicals, fluorspar.

Nevertheless, opportunities remain excellent for exports of metalworking, electrical, power, and shoe machinery; electronic components and equipment; machinery and equipment geared to all aspects of the food industry from cultivating and harvesting to processing and packaging; commercial refrigeration and air conditioning equipment; equipment for hotels and restaurants geared to the booming tourist industry; foodstuffs, such as soybeans and corn; and an expanding variety of consumer goods.

Payments deficit

Last year some 17 million tourists visited Spain, contributing gross earnings of about $1.3 billion, and this year about 19 million tourists are expected.

Even this large income from tourism, coupled with remittances from abroad and foreign investment inflows, was insufficient to offset the surplus in imports.

The balance of payments showed a $200 million deficit—the second since 1958. At the end of March, Spain's foreign exchange reserves stood at about $1,045 million.

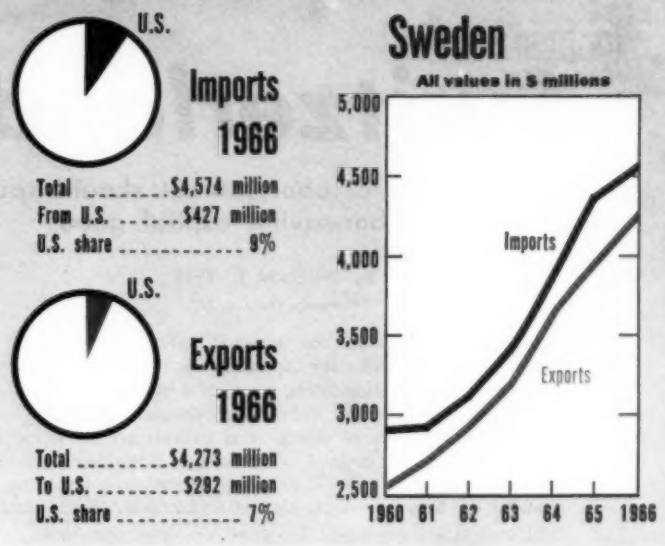
Assuming that exports continue to increase favorably and that the trade deficit can be held to $2 billion, there is optimism that the payments gap in 1967 can be held under $200 million.

While there are some adverse comments in the business community regarding the continued inflow of foreign capital, the investment climate in Spain remains excellent because the Spanish Government feels that it is indispensable to the country's economic development. At the end of 1966, total foreign investment in Spain amounted to about $1.2 billion, or less than 5% of total fixed investment. U.S. investment was estimated at $500 million.

Sweden

U.S. imports should continue moderate rise; capital equipment sales outlook is bright

By HAROLD A. McNITT
European Division, BIC



Stimulated by favorable demand factors, U.S. sales to Sweden will continue rising moderately this year.

Following last year's dip in the rate of economic growth, the Swedish economy appears to be moving forward more rapidly in 1967. Major changes in the structure of Swedish industry should provide promising opportunities for capital equipment sales.

The Swedish gross national product (GNP) reached $23 billion in 1966, representing a modest 2.6% increase over the previous year. Several factors contributed to the relatively slow rate of growth, including persistent tight credit conditions, large inventory accumulations which weakened domestic demand, and a drop in consumer spending early in the year. In addition, weaknesses appeared in demand for certain key Swedish exports, including iron ore and forest products.

Conditions this year are more favorable. Credit is more readily available, inventories have been largely worked off, and consumer spending is reported to be vigorous.

The level of demand for Sweden's exports is rising but the extent of this increase is an uncertain factor. Swedish economists predict that the GNP will advance by approximately 3.5% during this year.

Prices keep climbing

Rising prices and wages remain a problem for the Swedish economy. Consumer prices in 1966 moved ahead 5.6%. Average hourly earnings in mining and manufacturing jumped about 9%. The upward pattern is expected to continue this year, but at a slightly more subdued rate. Swedish economists predict that consumer prices will go up approximately 5% and wages, 6%.

The Government is using both credit and tax measures to hold down inflationary pressures. In mid-1966, the official rediscount rate was raised to 6%, the highest level in several decades.

This year the Government has shifted emphasis toward tax increases to curb inflationary demand pressures. The general sales tax was raised from 10% to 11% on March 1, and several excise taxes were increased. To ease a growing shortage of credit, the Government moved the rediscount rate back down to 5% during the first quarter.

Many important Swedish industries are currently undergoing rapid structural changes. In 1966, there were nearly 300 industrial mergers and long-term collaboration agreements between firms. The Swedish Government looks with favor on industrial consolidations which promise to increase efficiency, especially in the export industries. In view of steadily rising costs, the major Swedish industries must continue increasing their productivity levels in order to remain competitive on world markets.

Imports up 50%

Sweden's total imports increased to $4,574 million in 1966, up 5% from the previous year. Swedish economists predict a further increase of about 5% this year.

Imports from the United States in 1966 were valued at $427 million, up 3%. The U.S. share of the Swedish import market thus declined slightly from 9.5% (1965) to 9.3% (1966). The slackening of Swedish economic activity last year adversely affected sales of U.S. capital equipment. Purchases of U.S. nonelectric machinery—largest U.S. export to Sweden—dropped 8%. Sales of U.S. motor vehicles, chemicals, and raw materials also declined. The market was highly receptive, however, to U.S. foodstuffs (up 25%). Current Swedish interest in technologically advanced equipment contributed to large increases in sales of U.S. electrical machinery (up 15%) and instruments (up 21%).

CHIEF SWEDISH IMPORTS FROM U.S.: non-electric machinery, foodstuffs, electrical machinery, chemicals, transport equipment, raw materials, tobacco, instruments. CHIEF SWEDISH EXPORTS TO U.S.: machinery, motor vehicles, iron and steel, wood pulp, paper and paper products, furs.

New machinery needed

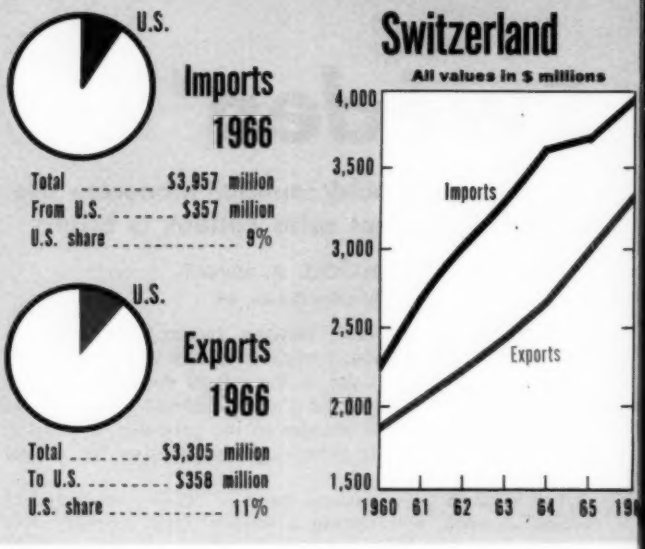
The current push in Sweden to expand output and improve industrial productivity will create promising sales opportunities for capital equipment in the months ahead. The engineering industries (industrial machinery, ships, metal fabrication, motor vehicles) are planning major capital outlays. The forest products industries (paper, pulp, paper products) will also need advanced equipment. Illustrating current Swedish interest in products for these industries, an exhibit at the U.S. Trade Center in Stockholm last September featuring equipment for the pulp and paper industries attracted almost 1,000 visitors and resulted in projected sales of over $11 million. Other industries needing advanced capital equipment are chemicals, plastics, and utilities. Sweden continues to provide a lively market for competitively priced consumer articles as well.

The U.S. Trade Center in Stockholm spearheads the U.S. trade promotion program in Scandinavia. Located in downtown Stockholm, it provides a showcase in which U.S. manufacturers may display their latest products at little cost. Since opening in 1965, the Center has sponsored eighteen exhibitions with total projected sales estimated at over $20 million. Scheduled shows include: advanced office and data processing equipment (Sept. 21-27) and chemical processing equipment (Oct. 19-25).

Switzerland

Continued tight labor market should spur imports of labor-saving capital goods

By WILLIAM E. YETT
European Division, BIC



Swiss imports from the United States should enjoy a moderate rising trend with capital goods registering a significant advance. The stimulating effect of a large Federal budget deficit and an enhanced industrial investment outlook along with heavy deliveries of commercial aircraft are the principal reasons behind this outlook. A revival of consumer spending may also spur sales of U.S. products. However, a lessening in demand for Swiss products abroad and heavier third country competition will moderate this generally optimistic view.

Switzerland's gross national product for 1966 was $14.9 billion, 2.3% above the 1965 figure in real terms. A federal commission, in connection with a study of long-term government financial needs, recently estimated that annual real increases in GNP for the next several years would be 3.5%. The average increase for 1950-65 was 4.7%. This reduced rate is due to a less rapid growth in the labor force than in previous years.

Government restrictions on the labor force have, for the past two years, been the principal damper on business investment. The much less stringent 1967 labor regulations should, however, help to improve the overall investment outlook during the current year.

Prices steady

Price trends should also make Swiss businessmen more optimistic about the future. Both the consumer price index and the wholesale index at the end of March stood at the same level as at the end of December. However, the still tight labor market should maintain an upward pressure on wages. Wages rose 6.4% last year.

Following a trend which started late in 1966, Swiss exports for the first four months of 1967 rose less rapidly than the year before. January-April exports were $1,108.8 million, 7.7% above the like period of 1966 as compared to 12.7% increase for the same 1965-66 period. An opposite, though less pronounced, trend is seen in overall Swiss imports, which for January-April rose 6.7% to total $1,344.7 million. The growth rate for the comparable 1965-66 period was 5%.

Swiss imports from the United States during 1966 registered a gain of about 13.5%, to a total of $357 million. However, this strong growth trend began to deteriorate in the fourth quarter and has continued to do so in 1967 with Swiss purchases for January-April amounting to $111 million—about 5% below the same period in 1966. Scheduled deliveries of U.S. wheat for Swiss stockpiles and jet aircraft for Swissair later in the year will more than make up for lost ground so that it is likely that the 1967 volume of trade will exceed that of 1966, though the rate of growth and share of the market are likely to be less. Major U.S. products that have registered increased sales in the Swiss market so far in 1967 are tobacco, cotton, chemicals, machinery, and motor vehicles.

Swiss exports to the United States have displayed exceptional growth, rising 22.9% in 1966 over 1965 to total $357.7 million. An 11.8% rise was recorded for January-April of this year over the same period in 1966 to a total of $114.3 million.

EFTA trade gains

Swiss trade is continuing to orient itself more toward other EFTA countries and away from its traditional principal trade partners in EEC. For example, imports from EFTA countries grew 17.6% in the first four months of 1967 compared to 4.2% for EEC imports. Exports registered comparable growth rate differences.

CHIEF SWISS IMPORTS FROM U.S.: industrial machinery, motor vehicles, tobacco, textiles, organic chemicals, precision instruments, aircraft, cereal grains. CHIEF SWISS EXPORTS TO U.S.: watches, industrial machinery, textiles, precision instruments, organic chemicals, dyestuffs, cheese.

The continued need to enhance productivity and the improved general investment outlook offers an excellent potential for sales of advanced and unique U.S. capital goods. Promising prospects are seen for such product lines as numerically-controlled machine tools; scientific and technical instruments; materials handling equipment; heavy construction equipment; packaging materials; process control and recording equipment; automotive maintenance and repair equipment; office equipment; medical, dental and surgical equipment; and electronic equipment and components, especially semiconductors.

There is also believed to be a good potential for such consumer goods as furniture and furnishings, sports equipment, toys, games, and wearing apparel and accessories.

Department of Commerce promotions in Switzerland this year will include an American Week sale at Herren Globus, a multi-branch men's clothing store. This promotion began in April and will run to September. A limited U.S. participation is also scheduled for the International Textile Machinery Fair to be held in Basel from Sept. 27-Oct. 6.

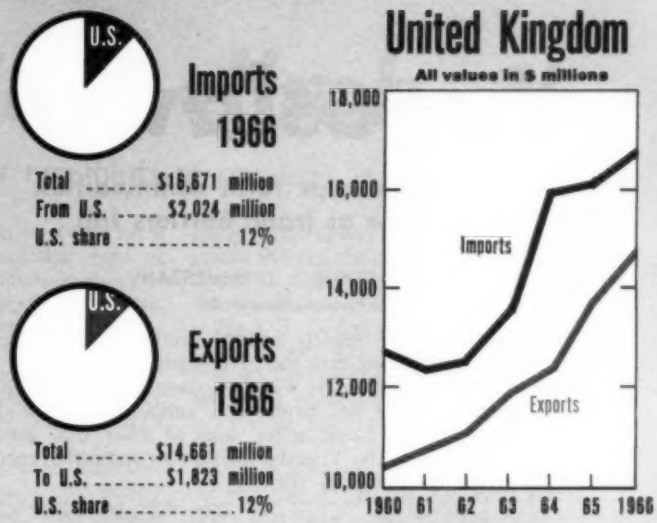
The Federal Government's budget for 1967 will result in the largest deficit since 1945. In spite of careful pruning of expenditures, the deficit is expected to be $96 million, even though expenditures are slightly less than last year.

Private consumption, which grew very slowly in 1966, has revived this year. The volume of retail sales for the first three months was 9% over the same quarter of 1966 and imports of consumer goods went up 13%. There were increases of over 20% in imports of meat, clothing, automobiles and shoes.

United Kingdom

Improving balance of payments position leads to removal of wage-price freeze

By EDWARD A. LESLIE
European Division, BIC



U.S. exports to the United Kingdom in 1967 are expected to show only a moderate increase over the level reached in 1966. Much of this increase will be accounted for by product categories in the area of advanced industrial machinery and equipment.

The U.K. Government's policy continues to be aimed at expanding exports and holding down imports in order to overcome its balance of payments difficulties, responding to the need to expand industrial investment and rationalize production for export markets. The activity thus generated should continue to create new opportunities for sales of U.S. capital goods.

The level of U.S. exports to the U.K. will be determined to a great extent by two major factors: the progress made by the British Government toward its more immediate objective of achieving a surplus in the balance of payments by late 1967, and the amount of success it has in its longer-term goal of modernizing and rationalizing British industry. To what extent recent developments in the Middle East will affect the balance of payments or the economy is not yet clear.

Improved payments position

The continuing improvement in Britain's payments position allows the Government some room to maneuver, permitting it to consider some degree of reflation. Certain measures have already been taken to reflate the economy, primarily through the gradual reduction of the bank rate from 7% at the beginning of 1967 to 5½% in May and the easing of installment credit in the purchase of automobiles. Further measures which are expected include the implementation of a plan for regional employment payments and increased family allowances.

An important development in the economy which will bear close watching is the effect of the removal on June 30 of the freeze on prices and wages and the expected return to a voluntary prices and incomes policy. This action may lead to a substantial number of wage claims, with the result that wages, which had remained relatively stable under the freeze, could increase by about 6% from July through the end of 1967.

Gross National Product reached $89.6 billion in 1966, compared with $86.2 billion in 1965. The growth rate of the economy in real terms, however, was only about 1½% in 1966. Current unofficial estimates point to a growth rate of a little more than 2% for the remainder of 1967 compared with the U.K. Government's forecast of 3%.

Output, which had been adversely affected by the restrictive economic measures introduced last year, began to increase slowly during the early part of 1967. Total output is now expected to rise at a greater rate in the second half of the year as the economy continues to expand. Total fixed investment is expected to continue at a relatively stable level. A further acceleration in the payment of investment grants, announced June 14, may provide a small boost to investment.

United Kingdom imports during the first four months of 1967 reached almost $6 billion, an increase of about 5% over the comparable period in 1966.

Major increases in imports occurred in such product categories as non-electrical machinery, which rose 15% to $484 million; aircraft, up 141% to $50 million; electrical machinery and appliances, 17% to $163 million; professional and scientific apparatus, 19% to $86 million; chemicals, 7% to $308 million; paper, paperboard and manufactures, 17% to $148 million.

British imports of U.S. products in the first four months of 1967 increased by approximately 1.1% to $731 million. The U.S. share of the British import market, which increased to 12.1% in 1966, compared with 11.7% in 1965, showed a slightly downward movement for the first four months of 1967 compared with the same period last year.

Individual imports from the U.S. which showed substantial growth during this period were: non-electrical machinery, an increase of 24% to $156 million; transport equipment (mostly aircraft), up 158% to $46 million; electrical machinery and appliances, up 9% to $59 million; professional and scientific equipment, 9% to $28 million.

CHIEF U.K. IMPORTS FROM U.S.: cereals, tobacco, textile fibers, chemicals, nonferrous metals, machinery and transport equipment, scientific instruments. CHIEF U.K. EXPORTS TO U.S.: Scotch whiskey, textiles, iron and steel products, machinery and transport equipment.

Good sales prospects

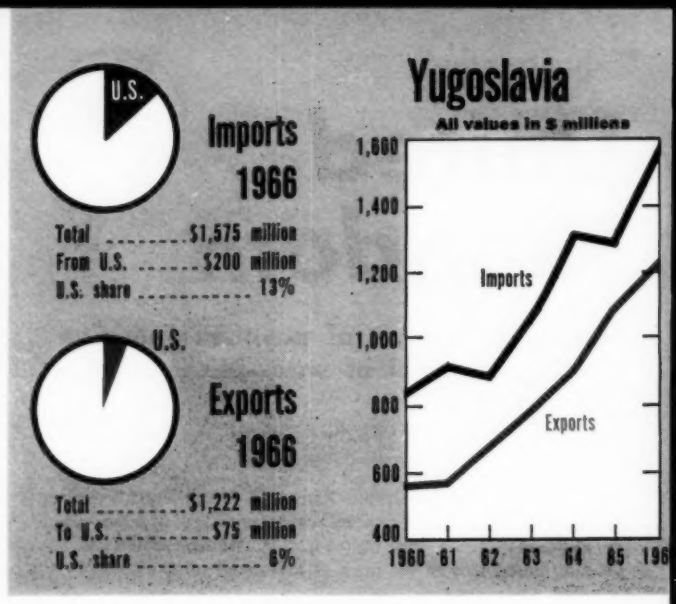
Product categories offering good sales potential for U.S. exports include technologically advanced equipment in the areas of precision machine tools, general industrial equipment, industrial process controls, and electronic instruments and components. The exploitation by the British of the natural gas deposits in the North Sea should also offer excellent opportunities for all types of gas transmission and utilization equipment.

Forthcoming exhibits scheduled for 1967/68 at the U.S. Trade Center in London include environmental test equipment, Sept. 13-21; production equipment for the electronics industry, Nov. 8-16; and chromatographic and fluorescence techniques, Dec. 6-14.

Yugoslavia

U.S. exports, except farm commodities, should increase as trade barriers fall

By ARTHUR J. LAEMMERZAHL
European Division, BIC



Yugoslavia's total imports in 1967 probably will increase at a rate slightly lower than the 22% registered in 1966.

Total U.S. sales probably will drop considerably, as Yugoslavia can no longer buy surplus U.S. agricultural commodities under PL-480. Nevertheless, sales of other U.S. goods should increase, as the Yugoslav market for industrial goods expands and trade barriers fall.

That Yugoslavia's imports this year may not appear to grow as fast as in 1966 is deceiving, because imports in 1965 were abnormally depressed. Trade this year has been considerably freed, however, and certain sectors of the economy have foreign exchange resources of their own sizable enough to make trade interesting. Although the demand-restrictive measures in effect since the reform are tending to keep industry in a somewhat depressed state, this has been necessary to prevent inflation and instability from threatening the changeover to a more liberal economic system. The first signs of new growth have appeared in what is going to be a fertile trading area.

Real gross national product rose by 9% in 1966, exceeding the planned target. Record yields in agriculture made this growth possible, as industrial production increased by only 4.3%. Growth in productivity, which was also stressed in 1966, amounted to 7%. Unfortunately, this figure reflects the growth of unemployment more than an intensified use of plant capacity. An estimate by the U.S. Embassy indicates that GNP, in current prices, amounted to $9.5 billion in 1966. While prospects for another good year in agriculture appear bright, industrial production in the first three months of 1967 rose a bare 1% over the first quarter of 1966—the lowest increase in several years.

Dinar stability

The inflationary threat of late 1966 has passed, and prices have remained stable during the first months of 1967. Responsible for this is the seasonal decline in investment and the lowest level of consumer credits in four years. (The amount of new consumer credits granted in the first quarter of 1967 was 20% lower than a year ago.) A favorable side effect is a more stable dinar, which recently has been quoted near par in several European money markets.

The United States in 1966 retained its position as Yugoslavia's leading supplier. The latest estimate is that agricultural shipments made up about $125 million of the $200 million imported from the United States. About $100 million of these agricultural imports represented purchases under PL-480 (long-term dollar credits). With the termination of our PL-480 program in Yugoslavia, U.S. agricultural shipments to Yugoslavia will be greatly reduced in 1967.

For the second year in a row, Yugoslavia in 1966 had no balance-of-payments deficit. The trade gap in 1966 widened, however, to $320 million from $203 million in 1965. The difference was made up by increased invisible earnings. Tourism earnings, for example, rose to $150 million, including transportation. Total imports amounted to $1,543 million, up 22%, and total exports amounted to $1,223 million, a 12% gain. Yugoslav officials are gratified with the trends in the regional distribution of their trade, as exports to convertible currency countries increased by 21%, and imports from these countries increased only 18%.

A number of laws liberalizing trade and foreign exchange transactions took effect on Jan. 1, 1967. These have been reported in the INTERNATIONAL COMMERCE issues of Nov. 28 and Jan. 30. So far, the result of these laws has been a significant increase in the share of imports made up by equipment and machinery, as well as a sharp rise in imports from Western Europe. Further liberalization is planned to cover 59% of Yugoslavia's imports by the end of 1967—as opposed to 50% at present—and the goal of 100% liberalization is set for 1970. By that time, it is expected that all non-tariff barriers will be removed and only the customs tariff will be used to protect the Yugoslav market against foreign competition.

CHIEF YUGOSLAV IMPORTS FROM U.S.: wheat, cotton, industrial machinery, railway equipment, fodder. CHIEF YUGOSLAV EXPORTS TO U.S.: tobacco, lead, furniture, canned meat, electrical machinery and equipment.

The opportunities for U.S. business in the new liberal trading atmosphere appear especially favorable. Certain priority sectors of the economy which need to purchase abroad have hard currency and are interested in U.S. products These include agriculture, food processing, tourism, power generation (especially thermoelectric), mining and extraction, and petroleum and petrochemicals.

The level of Yugoslavia's foreign exchange reserves in early 1967 appeared stable at about $125 to $130 million, and good prospects for invisible earnings should help Yugoslavia avoid any great balance-of-payments deficit in 1967.

Tourex/67

The U.S. Department of Commerce will mount a major commercial solo exhibit in Belgrade Sept. 28–Oct. 4, 1967. This exhibit—TOUREX/67—will promote U.S. food service and lodging equipment in an area where potential tourist earnings are limited only by the lack of facilities such as U.S. producers can help provide.

The United States again will be represented this year with an exhibit in the Zagreb International Trade Fair, scheduled to take place Sept. 7-17.

Sales to Far East climb

Alltime peaks reached in U.S. exports to almost two-thirds of countries in area

By ROBERT M. KLEIN
Deputy Director
Far Eastern Division, BIC

U.S. sales to the Far East in 1967 should set new records and may better the impressive percentage gains registered last year when overall shipments exceeded the $5 billion mark for the first time.

The region continues to offer a range of new opportunities for U.S. suppliers, as the various economic development programs move forward and foreign exchange availabilities—as augmented by grant aid and loans— remain adequate to finance essential foreign purchases.

U.S. exports to the Far East (including Oceania) in 1966 totaled almost $5.4 billion, a substantial 12% advance over the previous year's total. The figure, which represents more than one-sixth of total U.S. sales abroad, was somewhat inflated by the recent inclusion of special category commodities in U.S. trade data. For the most part, however, the inclusion of such military items does not seriously alter the general trade picture.

A feature of last year's export performance was the fact that the sales gains were again broadly dispersed, with alltime highs being recorded for nearly two-thirds of the countries of the area. Higher purchases were made by Japan, Korea, Hong Kong, South Viet-Nam, Taiwan, Thailand, Indonesia, Malaysia, Singapore, the Ryukyu Islands, Laos, and Cambodia. Reduced buying was evident only on the part of Australia, the Philippines, and New Zealand.

U.S. Census data for the first five months of 1967 indicate that total U.S. exports to the Far East amounted to $2.5 billion, a sharp 20% rise over the figure for the corresponding period of 1966. Significantly, the broad coverage of our trade expansion is continuing, with decreases in U.S. exports being registered only for New Zealand and Laos.

Japan top customer

As usual, Japan is a dominant factor in our Far Eastern trade. More than two-fifths of total U.S. exports to the area are accounted for by Japan, and Australia and the Philippines together make up an additional one-fifth of the total.

With Japan having recovered from its 1965 business slowdown, U.S. sales to that country last year spurted by 14%, for a total of $2.4 billion. Another gain of roughly the same magnitude is in prospect for 1967, when stepped-up domestic economic activity is expected to require an increase of 15% in Japan's total imports. As Japan's leading supplier, the United States should benefit significantly from the acceleration of that country's overseas purchases.

In contrast, U.S. exports to Australia, which had reached a peak in 1965 largely because of a heavy special category component, fell by 17% in 1966, to $661 million. The country has recovered from the effects of an earlier drought, however, and in line with improved conditions throughout the economy, U.S. shipments to Australia during January-May were up by 31% and should continue at high levels in the period immediately ahead.

Similarly in the case of the Philippines, where U.S. exports for the past two years have been below the benchmark set in 1964, exports during the early months of this year rose substantially. In response to government programs which have spurred overall import demands, U.S. sales for the full year should be up considerably, although new credit-tightening measures adopted last month could dampen the rate of increase in the latter part of 1967.

Other large gains have been registered so far this year for sales to Korea and Taiwan, despite Japanese competition, and the lessening importance of U.S. aid for the former and, since 1965, the absence of concessional aid for the latter. Exports to Thailand, partly reflecting the impact of various U.S. programs, also are moving up strongly. Shipments to Malaysia and Singapore, on the other hand, are expected to rise more moderately, with the larger gain apparent in the case of Singapore.

Exports to the previously depressed Indonesian market, as a result of U.S. economic assistance and a generally improved situation, should show the largest change, with the figure for January-May more than double the pace of last year. But sales to New Zealand, already off in 1966 because of government restrictions for balance-of-payments reasons, will dip further this year. Returns for the early months of 1967 indicate a large rise in exports to Hong Kong, although the adverse effects of the recent communist-inspired disturbances can be expected to curtail the rise for the full year.

On the import side, the Far East last year continued its impressive performance in the U.S. market. Total U.S. purchases from the area were slightly above $5 billion, up 21% over the 1965 figure. Once again, the major factor was a 23% jump in Japanese sales, which represent about 60% of our Far East purchases. Most of the other countries, however, shared in the enlarged import bill, and particularly heavy percentage gains were registered by Thailand, Korea, and New Zealand. Although a further expansion is anticipated for 1967, in light of dampened demand in some U.S. sectors, the increase will be more modest, with U.S. imports in the early months of the year running at about 7% above the same period of 1966.

From the viewpoint of the U.S. exporter, the Far East is a vast and diverse market, with differing demands ranging from those of highly industrialized Japan and the high-income countries of Australia and New Zealand to the special needs of a dozen or so countries in varying stages of economic development.

Promotional efforts

The Department of Commerce has thus utilized a variety of trade promotional efforts aimed at expanding the U.S. role in Far Eastern markets.

Official trade fair participation for the remainder of the year will include the International Engineering Exhibition in Melbourne (August), the New Zealand International Trade Fair in Wellington (August), the International Hydraulic and Pneumatic Machine Fair in Tokyo (October), and a solo exhibit of U.S. industrial machinery in Taipei (October/November).

An expanded program of industry-organized, Commerce Department-approved trade missions also has been scheduled for a number of countries of the area, as well as visits by mobile trade fairs, and America Week promotions will be held in three Australian cities in the fall.

In the meantime, the U.S. Trade Centers in Tokyo and Bangkok are continuing with their program of periodic shows tailored to their respective markets, while Sample Display Centers in Manila, Bangkok, and Melbourne are developing local agencies for U.S. suppliers through rotating product displays.

Australia

Notable upswing in business confidence should boost import, export totals

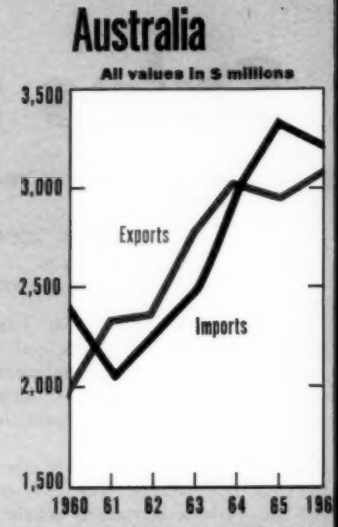
By DEANE M. BLACK
Far Eastern Division, BIC

Imports 1966

Total ..... $3,200 million
From U.S. ..... $710 million
U.S. share 22%

Exports 1966

Total ..... $3,064 million
To U.S. ..... $388 million
U.S. share 13%



U.S. exports to Australia should continue to rise in the months ahead in line with improved economic conditions throughout the Australian economy. Prospects for Australia's export trade look good, and total imports are expected to increase, although to a lesser degree than exports.

U.S. exports to Australia in the first five months of this year increased sharply by 31% over the same period of 1966. This trend, however, only became evident in the early months of this year after shipments to Australia had shown a decline of 17% in 1966, due partly to sluggishness in the Australian economy and partly to comparison of trade data which included special category (largely military) goods in both years. Had special category goods been excluded the decrease would have amounted to only 6.7%.

There has been a noticeable improvement in business confidence throughout Australia in recent months, and economic conditions are expected to continue to improve steadily now that recovery is in sight after the depressed conditions of 1965 and 1966. The long term picture is even brighter with prospects for higher export receipts from minerals, particularly iron ore.

The principal problems remaining for the Government appear to be maintaining the stability of prices and controlling the expansion of Government spending, which has been increasing twice as fast as non-government spending.

The balance of payments position will also bear watching because of the reduced flow of capital from abroad, the trade deficit, and the high cost of invisible imports. This is not of immediate concern, however, because of the healthy state of reserves.

For the fiscal year which just ended the increase in gross national product (GNP) has been estimated at approximately 4% in real terms.

Shipments of minerals and primary products boosted Australia's exports in April to an all-time monthly high of $273 million, and helped to reduce the trade deficit for the first ten months of the fiscal year to $31 million, compared with a deficit of $282 million for the same period a year before.

Prospects for Australia's exports look good for the coming months, with significant increases expected in wheat and flour, iron ore, bauxite and coal, and smaller rises in wool and dairy products and manufactures.

With the expanding economy, imports may also be expected to rise, but to a lesser degree, so that the improving trade balance should offset to some extent the recent decrease in capital inflow. However, the net result will probably be a continuation of the decline in foreign exchange holdings. Currently the reserves are substantial, standing at $1.2 billion at the end of March and equal to about five months' imports.

Capital inflow down

Apparent net capital inflow in fiscal year 1966 was over $1 billion, a rise of almost 65% over fiscal 1965. In the first three quarters of fiscal 1967, inflow was running at an annual rate of about half of 1966, or nearly $500 million. Although the decline appears steep, the level of inflow this year is about average for the years prior to 1966, and points up again the continuing high level of foreign investment flows into Australia despite balance of payments restrictions in the U.K. and U.S.

During fiscal year 1967, the U.S. for the first time displaced Britain as Australia's principal source for imports. Although this was due in part to large U.S. shipments of defense materials, the trend may be expected to continue if Britain is accepted for membership in the European Common Market.

Australia's total import bill in calendar 1966 was $3.2 billion, a decrease of some 5.4% from 1965; exports were $3 billion, an increase of about 4% over the previous year.

Australian imports from the U.S. in 1966 amounted to over $710 million, or 22.2% of the total market. The U.K., however, remained the principal supplier in the calendar year with a market share of 24%.

Exports to the U.S. were valued at $388 million in 1966, or about 13% of the total. Japan surpassed the U.K. as the principal market for Australia's exports with a share of 17.4% compared to a U.K. share of 16.2%.

Capital goods and equipment, and raw and semi-processed materials to service Australia's growing industrial complex and the large mineral exploration and development projects will continue to dominate Australian imports from the U.S. this year, as in the past several years.

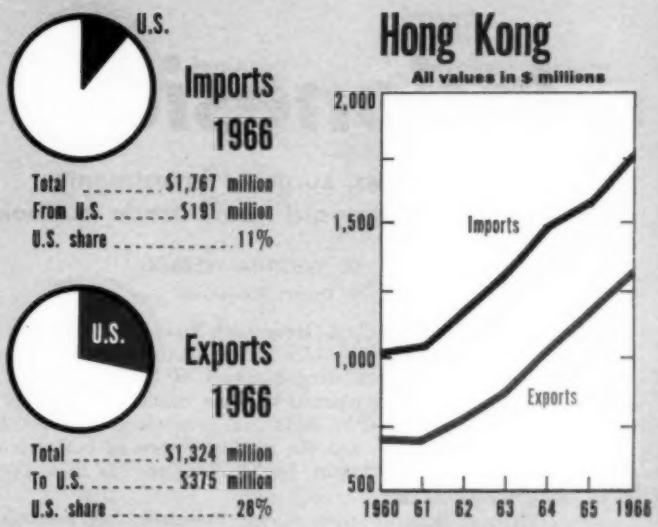
The importance of Australia as a market for U.S. goods is reflected in the number of trade promotions scheduled for that country this year. The Department of Commerce will mount an exhibit at the Melbourne International Engineering Exhibition in August; an America Week will be held at Georges department store in Melbourne in October, followed by America Weeks at the David Jones' stores in Adelaide, Canberra and Sydney; and a Texas Trade Mission and Mobile Trade Fair will visit Australia in July and August to show its goods in Adelaide, Sydney and Melbourne.

CHIEF AUSTRALIAN IMPORTS FROM U.S.: automobiles, tractors, aircraft, metalworking machinery, electrical machinery, textiles, plastics, mining machinery, communications equipment, tobacco. CHIEF AUSTRALIAN EXPORTS TO U.S.: meat, wool, metals and ores, dairy products, frozen lobsters, sugar, hides and skins.

Hong Kong

Economy continues robust growth despite recent Communist-inspired disturbances

By TADD A. LINSENMAYER
Far Eastern Division, BIC



Despite the recent Communist-inspired disturbances, Hong Kong's trade should continue to expand at a satisfactory pace this year. U.S. exports to the Colony for the first part of 1967 have risen at an extremely fast rate, and some increase in the U.S. share of the market above the normal 10-11% is anticipated.

This is admittedly an optimistic outlook. It is based on three basic assumptions:

- that there are a sufficient number of businessmen in Hong Kong, both Chinese and foreign, who have enough confidence in the Colony's future to at least maintain current production levels;
- that if political tensions diminish, Hong Kong's free port, central location, and its tradition of minimum government regulation or control of business will again prove to be strong positive inducements for businessmen; and
- that Communist China will not attempt in the near future to physically or militarily take over the Colony. This latter assumption stems largely from the fact that Hong Kong continues to be a very significant market for mainland Chinese goods, and that the Communist Chinese have apparently concluded that this economic factor still overrides any ideological considerations. Had they concluded otherwise, Hong Kong would almost certainly already have ceased to exist as a British colony.

The British authorities may well have emerged in a stronger position than they held prior to the riots. The establishment of a special public fund to help pay for the secondary education of the children of Hong Kong's police force is one indication of the increased support for the Government, or at least for the Government's firm stand during the riots. The lack of popular support for several politically inspired strikes staged by retailers, transportation workers, and others, is another indication of the reduced strength of local Communists vis-a-vis the Government.

Economic threat

The Colony's greatest threat for the time being appears to be an economic one, and lies in what Franklin Roosevelt described succinctly as, "fear itself."

It is clear that during the riots there was little actual disruption of the economy. There was apparently no significant increase in worker absenteeism, and trade continued at a healthy pace. Tourism, which did suffer during the riots, is still above last year's level.

But if the immediate economic impact of the riots was not serious, the potential long-range impact could be. Hong Kong businessmen are jittery. A large number of the Chinese businessmen originally fled from the mainland, and they now ask how long it may be before they are forced to flee again. Many have reportedly been taking a considerable part of their profits out of the Colony as a hedge against such a possibility—profits that a year ago might well have been devoted to expansion projects.

Profitability is key

Foreign investors, particularly manufacturers, are in a slightly different position. They have not moved or established plants in Hong Kong as a result of political circumstances, nor have they staked their whole corporate future on the continued existence and well-being of one tiny Asian outpost.

They have gone to Hong Kong for purely economic reasons, and have chosen the Colony over other Asian countries largely because of the virtual non-existence of government red tape. Little has actually changed for them; their Hong Kong operations still represent only a fraction of their total worth, the basic economic reasons for locating in the Colony are still there, and the red tape is still absent.

The question these foreign investors face is still based on the economics of the situation. It is a question of relating the relative profitability of their Hong Kong investments to the probability that the Colony will remain under British rule. Different firms will come to different conclusions.

Most of the final decisions to be made by businessmen—basic decisions of whether to stay or pull out—will probably not be made until toward the end of the year. The majority of businessmen have not panicked, but have adopted a wait-and-see attitude.

In the interim, however, there may be little in the way of new orders for machinery or equipment, beyond essential replacement requirements. The flow of raw materials and components for the production or assembly of goods for export should hold steady, and may even expand. Little change is anticipated in the consumer goods market.

The increase in Hong Kong's trade in the last half of 1966 and at least through the first three months of 1967 has been spectacular. Total imports for 1966 rose by 13% and for the first quarter of 1967 were up 27% over the comparable 1966 level.

Imports from the United States reached $191 million in 1966, a 10% increase over the level for 1965. Through the first three months of this year imports from the U.S. jumped by 39%, giving us 12% of the market as opposed to 11% in 1966.

CHIEF HONG KONG IMPORTS FROM U.S.: computer and other electronic components, unset diamonds, raw cotton, cigarettes, fresh fruit, pharmaceuticals, air conditioners. **CHIEF HONG KONG EXPORTS TO U.S.:** clothing, textile fabrics, transistor radios, electric components, plastic flowers, plastic toys, rattan articles.

Indonesia

Inflation wanes, surge of investment interest, foreign aid spark trade outlook

By M. VIRGINIA WEBBERT
Far Eastern Division, BIC

The outlook for U.S. trade with Indonesia continues to improve as drawings on U.S. aid substantially bolster American exports and increasing numbers of business visitors to Djakarta seek early renewal of trade contacts. The surge of new investment interest, additional investment by established U.S. oil companies, and the gradual return of old investors pledged to expand output, further reinforce the more favorable trade outlook.

General Suharto, now Acting President, has maintained effective political control and has been firm in supporting economic reforms which have had reasonable success in stabilizing the economy.

The wild inflation of the last few years has ended. While the government will probably not be able to achieve its balanced budget in 1967, sufficient progress has been made in reducing budget deficits that money supply increased by only 22% in the first quarter of 1967 compared to a 700% increase in 1966. Stricter controls of credit also contributed to slowing the rate of monetary expansion.

Indonesia's imports in 1967 are expected to exceed the 1966 level of some $600 million, through the rescheduling of major debts due in 1967 and the extension of foreign grants and loans.

The U.S. has pledged one-third of about $200 million in foreign aid needed to finance imports in 1967. Japan has pledged $60 million and West Germany, $12.5 million, while more aid is expected from the Netherlands. About $43 million is in the pipeline from earlier credits.

U.S. assistance in 1967 is expected to total about $65 million: $8 million is in the pipeline; three loans totaling $30 million have been announced for implementation through the B.E. (export bonus) system; and P.L. 480 loans will probably comprise the balance.

Trade and exchange reforms made by Indonesia last October have greatly increased the foreign exchange available on the open market to import through the B.E. system. Exporters are being given B.E.'s for over half their export proceeds. These may be sold or used to import items on the B.E. list.

Thus, in addition to the opportunity to finance sales through some $65 million in AID funds in 1967, U.S. exporters may sell to importers having access to about $250 million of unrestricted B.E.'s available on the open market, as well as to government agencies continuing to get budget allocations in rupiah which they use to purchase exchange from the Foreign Exchange Fund.

Provincial governments and holders of DP, or complementary foreign exchange, are also potential sales targets.

As of June 8, the rate per U.S. dollar for B.E.'s was Rp. 136; for foreign credit B.E.'s, Rp. 132; and for DP's, which may be used for unessential goods, Rp. 148.

Indonesia is preparing an economic development program giving top priority to agriculture, fisheries, forestry, animal husbandry, and transport, especially roads and harbors. Manufacturing investment will stress industries processing domestic agricultural products or providing essential inputs such as fertilizer, insecticides, and simple farm implements. Mining development will be encouraged.

While the stabilization measures taken —budget balancing and a tight money policy—are bearing fruit, they have resulted, temporarily at least, in a slowdown of business activity. Local businessmen find it difficult to obtain rupiah credits with which to purchase export commodities, as well as to buy B.E. exchange for imports.

The situation is being eased by the increasing availability of foreign credits, recent abolishment of the requirement to prepay import duties, and a lowering of interest rates. On the other hand, the additional tariff protection recently given local industry is a deterrent for selective imports.

No insurance is yet available from FCIA or Eximbank to assist U.S. suppliers in financing exports. However, some American companies are extending credit on a selective basis with favorable results.

Indonesia permits only two types of private credit: short-term, not exceeding 180 days (these may not be used for general commodities); and long-term, involving a five-year grace period, if guaranteed by the creditor's government.

Japan, West Germany, and the United States remained the leading exporters to Indonesia in 1966 with exports of $118.6 million, $71.1 million, and $67.6 million, respectively. While Japan's exports were 42% below their level in 1965, West Germany increased its exports by 26% and the United States by 63%. Netherlands exports of $33.1 million in 1966 approximated their 1965 level.

U.S. imports from Indonesia in 1966 were valued at $179.2 million.

Indonesia continues to seek investment capital and technology and foreign interest remains high. The Government stresses its willingness to adjust its investment legislation as it gains more experience.

Freeport Sulphur has contracted to develop copper deposits in West Irian, ITT to build a satellite earth station, and several U.S. firms await final approval of oil contracts. Goodyear Tire and Rubber Company has resumed operation of its tire factory and other U.S. investors are planning to return.

CHIEF INDONESIAN IMPORTS FROM U.S.: machinery, aircraft and other transportation equipment, rice, raw cotton, lubricating oils, medical and pharmaceutical products, metal manufactures. CHIEF INDONESIAN EXPORTS TO U.S.: crude rubber, crude petroleum, coffee, pepper and other spices, tea, palm oil.

Japan

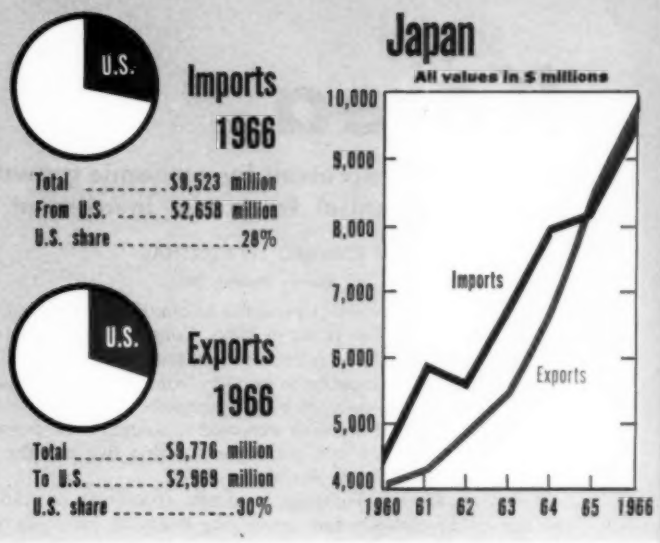
Imports from U.S. are at record levels, but aren't matching other nations' gains

By RAYMOND W. EISELT
Far Eastern Division, BIC

U.S. exports to Japan, which achieved a new record in 1966, will be substantially higher in 1967. For the third straight year U.S. sales to Japan will exceed $2 billion, with this year's total possibly rising to over $2.7 billion. This compares with $2.4 billion last year.

Stepped up domestic economic activity is expected to raise Japan's overall imports during the Japanese Fiscal Year ending Mar. 31, 1968 by almost 15% over the past fiscal year. As Japan's prime supplier, the U.S. should benefit significantly from this acceleration.

In 1966, however, U.S. imports from Japan rose even more rapidly than did its sales to that country, with the import total reaching nearly $3 billion. This resulted in a $600 million deficit in our merchandise trade with Japan for 1966 which, when added to the $357 million debit incurred in 1965, amounts to a two-year adverse imbalance of close to $1 billion. This year the imbalance has been sharply reduced as a result of a 22% spurt in U.S. shipments during the first five months.



Economy accelerates

Largely as a result of government policies and vigorous efforts by the business sector to stimulate the economy, Japan in 1966 resumed the more rapid pace which characterized its economic growth in the years just before the recessionary period of late 1964 and 1965.

Personal consumption expenditures, private residential construction, and government spending all recorded steady growth in the past year. Business investment in plant and equipment, as well as inventory accumulation were also on the rise in 1966.

The Economic Planning Agency reported that gross national product (GNP) reached $97 billion in calendar 1966, a 9.7% increase in real terms over 1965. Per capita GNP was about $1,050.

According to an official Japanese Government forecast, Japan's economy should experience steady growth throughout the present fiscal year, with GNP advancing to nearly $114 billion, a 9% annual increase in real terms.

In the coming months Japanese economic policy is expected to concentrate on maintaining stable growth by preventing excessive inflationary trends, and by a close watch of the balance of payments.

The U.S. share of the Japanese market in 1966 fell slightly below 28% in the past year, despite the heavy shipments of U.S. goods to Japan in the last quarter. While U.S. exports to Japan this year are expected to record a large increase over 1966, there is less certainty that our share of the Japanese market can be increased or even maintained at present levels as Japan continues to broaden its import sources.

Recently published Japanese import data indicate that Japan's pick-up in imports is proving particularly beneficial to Canada, the EEC countries, and the Soviet Union, all of which showed a substantially better than average export increases to Japan during the first four months of 1967. The rate of increase in imports from the U.S., on the other hand, was less than the figure for overall imports for this same period.

U.S. exports to Japan which showed substantial absolute increases over their 1965 levels included soybeans, wheat, softwood logs, cattle, iron and steel scrap, aircraft, and electric power machinery.

On June 6 the Japanese Government announced its new program concerning the liberalization of direct foreign investment which became effective July 1 (See story on page 64). The new guidelines do not appear to promise early relief to most prospective U.S. investors who have been encountering recent difficulties in establishing operations in Japan.

When the effects of the recently-concluded Kennedy Round negotiations begin to be felt, both the U.S. and Japan should benefit considerably in terms of a further expansion of trade in both directions which will cover a wide range of products.

CHIEF JAPANESE IMPORTS FROM U.S.: oil seeds including soybeans, wheat, corn, raw cotton, aircraft and parts, cereal grains, wood in the rough, iron and steel scrap, coal and coke, machinery. **CHIEF JAPANESE EXPORTS TO U.S.:** iron and steel, radio and TV sets, motor vehicles, clothing, fabric, musical instruments, electrical machinery, scientific instruments, toys, wood veneer.

Trade center shows

The U.S. Department of Commerce, utilizing information gained from market research prepared in Japan, has determined that the following product categories offer good trade development opportunities in the coming months and has scheduled shows at the U.S. Tokyo Trade Center which will feature these lines: agricultural chemicals and specialties, machinery and equipment for peaceful uses of atomic energy, paper industries equipment, and commercial laundry and dry cleaning equipment.

Other possibilities include equipment for hospitals, the shipbuilding industry, environmental testing and advanced communications, and reprographic, microfilming and documentation equipment.

Also, the U.S. will continue to participate in Japanese-sponsored trade shows, beginning with the International Hydraulic and Pneumatic Machine Fair to be held in Tokyo this October.

Moreover, plans are progressing for an America Week exhibit at one of Tokyo's leading department store chains next April.

Korea

U.S. mission impressed by economic growth, country's potential for trade, investment

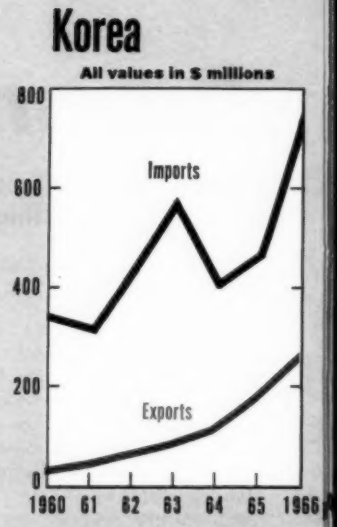
By EDWARD LOWENTHAL
Far Eastern Division, BIC

Imports 1966

Total ..... $737 million
From U.S. ..... $274 million
U.S. share 37%

Exports 1966

Total ..... $250 million
To U.S. ..... $96 million
U.S. share 38%



The Korean economy is expected to continue to expand as rapidly during 1967 as it did in 1966. Consequently, the level of Korean foreign trade is expected to increase considerably, with a concomitant increase in imports from the United States. Although the U.S. share of Korean imports declined slightly in 1966, the United States is expected to maintain its current share for the rest of this year. For the first five months of 1967 U.S. sales were up sharply by 63%.

Growing foreign exchange earnings, continued relaxation of import restrictions and continuing financial aid from the United States and other countries, particularly Japan, are factors which should contribute to increased imports.

As in 1966, the greater part of the expansion of Korean imports will probably result from increasing demands for industrial raw materials and capital equipment to supply the rapidly developing manufacturing sector of Korea's economy.

Korea's 1966 GNP amounted to $3.6 billion, representing an increase of 11.9% in real terms over the 1965 figure. This compares with an annual average real growth of 8.5% between 1962 and 1966. It is estimated that in 1967 GNP will grow by another 10.5%.

Trade expands

Korea's total exports increased by 42.5% to $249.5 million in 1966. The 1967 export goal has been set at $350 million.

The United States remained the major purchaser of Korean products in 1966, increasing its share of Korea's exports to 38% (35% in 1965), compared to 26% for Japan (25% in 1965).

Korea's imports in 1966 totalled $736.5 million (c.i.f. value), an increase of 59% over 1965. Current estimates of imports in 1967 indicate an increase to $815 million.

In 1966, Japan replaced the United States as the largest supplier of goods to Korea, accounting for 40% of total Korean imports (36% in 1965), whereas the U.S. share represented 37% of the total (39% in 1965).

The U.S. share of Korea's imports financed with Korean Government-owned foreign exchange (KFX) increased slightly to 14% from 12% in 1965. This was largely due to increased KFX imports of ferrous scrap, rough lumber, raw cotton and non-electrical machinery and parts.

AID development loans of $12 million and $5 million to the Korean Reconstruction Bank and the Medium Industry Bank, respectively, provide for sub-loans to medium-size enterprises for purchase of U.S. machinery, equipment and related services. These loans received an over-subscription of applications this year, amounting to $77.7 million, indicating a large and unsatisfied demand for imports of U.S. capital goods.

The Korean industrial production index reflects the rapid expansion of the manufacturing sector of the economy. The overall industrial production index (1965 = 100) was 130.6 in March of this year, an increase of 17% from March 1966.

Planned expansion

Korea's Second Five Year Development Plan, which began this year, foresees rapid expansion of all sectors of the economy, with manufacturing making the greatest advance. The total planned requirements for investment in manufacturing by 1971 is $1 billion, 64% of which will derive from foreign sources.

The expected continued growth of Korea's economy offers considerable opportunities for investment and trade during the current plan period. Foreign investments have recently been made more attractive by promulgution of a new Foreign Capital Inducement Law providing benefits not included in the prior law and by an official announcement that the Government will approve the opening of foreign bank branches in Korea. Three U.S. banks are expected to open branches shortly.

CHIEF KOREAN IMPORTS FROM U.S.: wheat and flour, raw cotton, phosphatic fertilizers, ferrous scrap, wood pulp, machinery and equipment, animal oils and fats, chemicals. CHIEF KOREAN EXPORTS TO U.S.: plywood, clothing, human hair products, raw silk, cotton and wool fabrics, footwear, fresh fish.

U.S. investments

The Korean Government has recently approved U.S. investments by Caltex Ltd. for the construction of the country's second oil refinery; Motorola Inc. for the manufacture of integrated circuits; and IBM World Trade Corp. for the establishment of data processing services. This brings to 30 the number of U.S. companies that have received approval for equity investments in Korea, amounting to a total of $46.6 million (85% of total foreign equity investments).

Ball mission returns

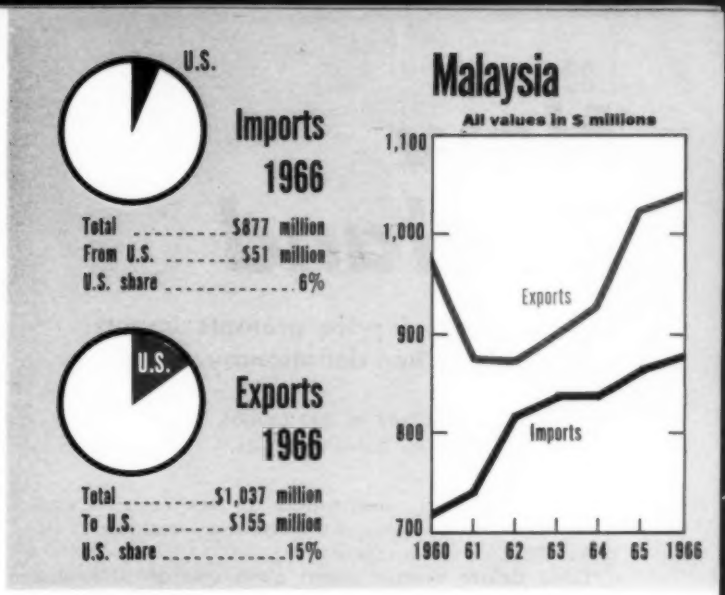
Former Under Secretary of State George W. Ball led the U.S. Private Investment and Trade Exploratory Mission to Korea in March of this year. A number of the American companies represented on the mission have indicated plans to establish manufacturing facilities in Korea.

During his visit to Washington in March, Korean Prime Minister Chung met with President Johnson and the two agreed to having annual meetings between the U.S. Secretary of Commerce and the Korean Minister of Commerce and Industry for the purpose of discussing problems of mutual interest. Secretary Trowbridge will visit Korea later in the year for the first of these annual meetings.

Malaysia

Economy makes satisfactory progress; more investment incentives considered

By FLOYD J. DUBAS
Far Eastern Division, BIC



Total Malaysian imports will probably continue to rise moderately in 1967, and purchases from the United States should follow this overall trend.

As in the past few years, the growth rate will be higher in capital goods than in consumer products which are being increasingly provided by local industries.

Some slow-down in economic growth which occurred in 1966 is expected to continue in 1967. The GNP was up by 6.3% in real terms to $3,102 million in 1966; this was in excess of the annual rate of growth of 5.7% between 1960 and 1965. Population is growing at an annual rate of 3%, and per capita GNP in 1966 was $330.

Business confidence is reflected in the satisfactory gains being made in the major sectors of the economy. Development plans for production diversification are gradually materializing and government economic and social infrastructure and private construction are expanding. Rice output which supplies about 65% of local requirements is on the rise, and when projects to facilitate double cropping are completed in 1970, near self-sufficiency may be reached and income on many small farms will rise. Production of lumber and wood products, largely for export, is making rapid headway. Business activity is brisk in East Malaysia (Sabah and Sarawak), where the government accents infrastructure expansion, and economic development potential is attracting foreign investors. However, the foreign trade data in the accompanying illustration do not include the totals for East Malaysia.

Rubber, tin chief exports

While export diversification is making good progress, rubber and tin are still the major exports. Rubber makes up 39% of total exports, and tin, 23%. Although the government's forward-looking program to promote replanting of rubber trees has been an outstanding success and production has gone up, the continuing and recently accelerated decline in the price of natural rubber is a major depressing element in an otherwise wholesome economic landscape.

Most of the development programs of the First Malaysia Plan (1966-70) are being implemented as scheduled; however, some projects are being temporarily postponed until arrangements are completed for external financing. Some strain is appearing in the availability of local funds to finance development projects, but this is being eased by improvement in tax collections and new taxes, the more significant of which are a 5% "development tax" levied on all income, and a 2% surtax applied to the value of all imports.

The government has been active in the past in providing incentives and necessary infrastructure to facilitate the growth of new industries to achieve a more balanced economy. Economic planners are now giving thought to possible additions to existing industry incentives which would advance the contribution to the economy of the manufacturing sector which now accounts for 11% of GNP.

Imports, exports both up

Malaysian imports and exports each increased between 1961 and 1965 at an annual rate of 4.5%. Growth in capital goods imports was considerably in excess of import gains in consumer goods. In 1965, 81% of Malaysia's exports and 77% of its imports were accounted for by West Malaysia. Trade statistics are not available for East Malaysia beyond 1965. Foreign trade performance of West Malaysia in 1966 indicates a slow-down in both imports and exports. Imports were up 2% and exports increased slightly more than 1% over 1965.

CHIEF MALAYSIAN IMPORTS FROM U.S.: machinery and transport equipment, tobacco, petroleum products, chemicals and medicines. CHIEF MALAYSIAN EXPORTS TO U.S.: rubber, tin, forest products.

The government's projection of foreign trade for all of Malaysia for the duration of the First Malaysia Plan has apparently recognized factors indicating a reduced rate of growth and has estimated an annual growth for imports at 3.6% and for exports at 0.6%.

U.S. share increases

Although total foreign trade progress in West Malaysia was slower in 1966, the U.S. share of the market went up to $51 million, or 6%. West Malaysian exports to the United States were $155 million, or 15% of total exports. In the first five months of 1967, U.S. census data show American exports to Malaysia rising by a modest 2% over the figure for the corresponding period of 1966.

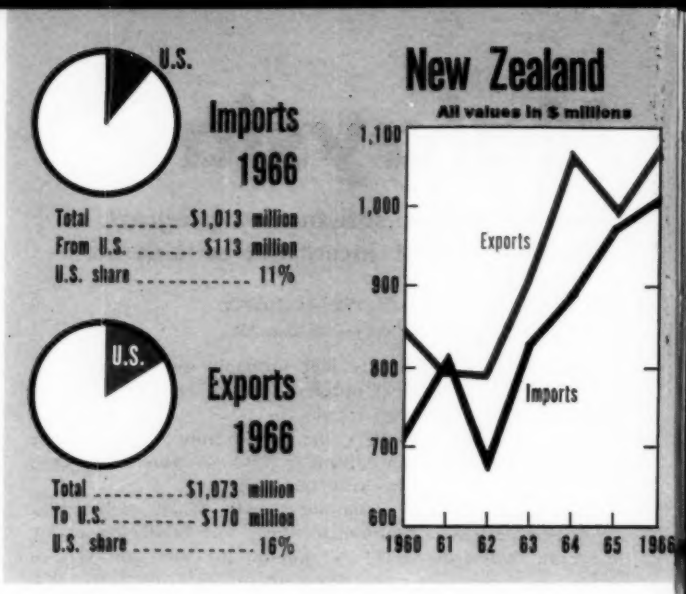
U.S. exporters are performing best in such items as transport equipment, tractors, earthmoving equipment, materials handling equipment, cooling equipment, pumps, and diesel engines. Good sales are also being made in tobacco and cigarettes, petroleum products, chemicals and pharmaceuticals. Overall buyer demand in Malaysia is steadily rising in these lines in which American exporters are particularly competitive and effective in their marketing efforts.

The best U.S. sales records in Malaysia are made by American firms which have arranged for good distributors, and support them adequately in such factors as extension of credit to enable the maintenance of inventories, technical assistance, and after-sales services. Given the competitiveness and acceptance of U.S. products in the Malaysian market, U.S. exporters should be able to equal the sales performance records in the Malaysian market of some of their successful colleagues.

New Zealand

Decline in wool price prompts import quota cuts, other deflationary action

By JOHN N. RANDOLPH, JR.
For Eastern Division, BIC



A sharp drop in the auction price for New Zealand's wool since December has precipitated economic measures to decrease the level of business activity.

These include average import quota cuts of 20%, thus dimming the prospects for any expansion in U.S. exports to New Zealand in the immediate future.

Wool sales comprise over 30% of total export receipts—now more than a billion dollars a year. The auction price for the coarser grades of wool, of which New Zealand is the world's largest producer, has slipped 14% since December.

New Zealand's exports and imports of goods and services each account for about 22% of the GNP. The value of foreign trade per capita is one of the highest in the world. After assessing the impact of lower wool receipts on its balance of payments, the Government in early February announced a number of measures to restrain demand for both domestic products and imports.

Government limits spending

Subsidies on certain food items were removed; travel allowances were cut; banks were instructed to limit loans; increases in Government expenditure in the next budget are to be held in check; and rents on state housing and telephone, telegraph, and postal charges are to be increased.

In May, the Government introduced further measures to deflate the economy. Commercial banks were directed to reduce loans; sales taxes on motor vehicles, motorcycles, and marine engines were raised; and import duties on gasoline were increased by the equivalent of U.S.$0.047 per imperial gallon. At the same time it was announced, however, that tax incentives for exporters are to be continued until Mar. 1969.

For the fiscal year ended Mar. 31, receipts from exports exceeded import payments by $102.8 million, yet there was a net deficit on invisible transactions of $252.0 million. The resulting current account deficit of $149.2 million was offset by net capital inflow of $156.5 million, leaving an overall surplus of $7.3 million.

The import licensing schedule, effective for the trading year beginning July 1, calls for average cuts of 20% in imports of machinery and transport equipment, a number of raw materials, and manufactured goods. Many import licenses will be issued on the merits of individual applications.

Items exempted from licensing in previous schedules will remain exempt; however, there are no import allocations for new licensees. The Government has noted that, in view of the overall cutback, it would be inequitable to further curtail the licenses being made available to established importers.

According to U.S. Census data, U.S. exports to New Zealand (including special category or military shipments) declined from $133 million in 1965 to $127 million in 1966, with the drop being considerably sharper ($16 million) if special category items are excluded. Aircraft sales, however, dropped from $26 million to $7 million; thus trade was steady, with this exception, despite import quota cutbacks of 15% during the latter half of 1966. U.S. exports to that country for the first five months of 1967 were $41 million, down 11% from last year.

Provisional New Zealand statistics show 1966 exports at a record high of $1,073 million, with the UK share over 42% and the United States buying $170 million or 16% of the total.

Larger shipments of beef and veal in 1966 accounted largely for the 36% increase in exports to the United States. Japan was the destination of 8.5% of New Zealand's exports and is now the principal market for its mutton.

New Zealand's imports for 1966 also established a record, at $1,013 million. The United Kingdom (37%), Australia (19%), the United States (11%), and Japan (6%) were the principal suppliers to the New Zealand market.

With further import restrictions effective July 1, the overall level of imports is expected to decline in the months ahead. A recovery in wool prices, however, during the next auction season could pave the way for some liberalization in import restrictions, according to statements made by New Zealand Government officials. Stockpiles now warehoused by the Wool Commission could then be released and sold for foreign exchange.

CHIEF NEW ZEALAND IMPORTS FROM U.S.: agricultural machinery, industrial equipment, chemicals, tobacco, fertilizers, textiles. CHIEF NEW ZEALAND EXPORTS TO U.S.: beef, veal, wool, hides and skins, dairy products.

U.S. exhibit planned

The Wellington International Trade Fair in August of this year will include a display of the latest American office machinery and equipment at the U.S. pavilion. A sample products display featuring new-to-market exporters will complement the main exhibit and provide local businessmen with the opportunity to view many products now unavailable in New Zealand.

Despite the fact that the British and the Australians are the traditional sources of supply and enjoy the advantage of preferential tariffs on many items, New Zealand is looking increasingly toward the United States and other countries, including Japan, for many of its import needs.

Philippines

Despite improved export picture, investment uncertainties persist

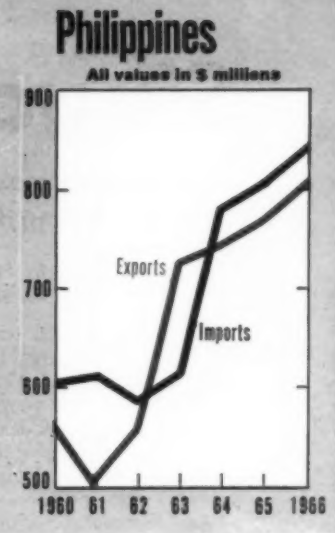
By MAURICE KOGON
and RICHARD H. IMUS
Far Eastern Division, BIC

Imports 1966

Total ..... $841 million
From U.S. ..... $284 million
U.S. share 34%

Exports 1966

Total ..... $806 million
To U.S. ..... $317 million
U.S. share 39%



U.S. exports to the Philippines rose substantially in the early months of 1967, and total sales this year should be well above the 1966 level.

New government programs in agriculture and public works, together with measures to rehabilitate distressed industries, have spurred overall import demands. On the other hand, the Philippine Government has just announced new advance deposit requirements for imports and now is also requiring letters of credit for all imports valued at over $100. These new measures may dampen the rate of increase for U.S. exports during the latter part of the year.

Expenditures on public works, infrastructure and rural development projects increased in 1966 and are to be further accelerated in 1967. Particular emphasis was put on road construction, improvements in port and air terminal facilities, and expansion of the irrigation network.

In mid-1966, the Marcos Administration inaugurated a new program to refinance distressed industries, earmarking about $65 million in 1966 to assist some 1,354 agricultural and industrial enterprises. Preliminary 1966 data show real production increases of 3.5% for agriculture, 9.1% for mining, and 7.2% for manufacturing. Other measures taken to improve business conditions included an intensified crackdown on customs irregularities and income tax evasion. These programs contributed to record tax collections during the fiscal year ending June 30, well exceeding original projections.

Trade rises

Philippine foreign trade rose by 6.8% in 1966, with exports up 8.6% to $835 million and imports (f.o.b.) up 5% to $848 million. (Figures in box above are c.i.f.).

Imports from the United States in 1966 lagged somewhat behind the overall import pace in that year, rising by only 3.4% to $283 million (f.o.b.). The U.S. percentage share fell slightly to about 33.3%. Japanese suppliers, however, continued to improve their position in the market in 1966. Imports from Japan rose by 25% to $244 million, and that country's market share increased from 24% to 29%.

Based on U.S. census data, U.S. exports recovered sharply in early 1967, rising by $40 million during Jan.-May or 30% above the figure for the corresponding period of 1966. Metals and machinery accounted for much of this increase, but the data indicate expansion as well in a broad range of U.S. goods.

Sales opportunities look particularly promising this year for textile machinery, machine tools, metalworking machinery, farm machinery, mining and mineral treating equipment, pumps, earthmoving and construction machinery, metals, animal feeds, industrial chemicals, cosmetics and toiletries, and pharmaceuticals.

Notwithstanding the improved U.S. export performance, American traders continue to be faced with burdensome consular documentation requirements for shipments to the Philippines. During recent discussions in Washington, Philippine Government officials indicated that these requirements will be eased to facilitate U.S. trade with the Philippines.

While Government efforts to spur business activity and economic development move ahead, serious economic problems continue to inhibit actual growth. Broad price increases in 1966 held real GNP growth to 4.1% in 1966, considerably below expectations. With the population increasing 3.3% a year, real per capita income rose by less than 1% in 1966.

CHIEF PHILIPPINE IMPORTS FROM U.S.: machinery, transport equipment, cereals, electrical equipment, textiles, metals and manufactures, raw cotton. CHIEF PHILIPPINE EXPORTS TO U.S.: sugar, coconut products, cotton manufactures, plywood and veneers, abaca.

Sharp import increases in the last quarter of 1966 reversed the favorable trade balance that had earlier built up and another trade deficit resulted.

Foreign exchange reserves, which had reached a peak of nearly $200 million by mid-1966, fell to about $110 million by June. With imports continuing to increase rapidly and a trade deficit for 1967 also likely, the Government initiated several credit-tightening measures in June directed at importers and others.

Investors holding back

The administration has also been active in trying to encourage an inflow of investment funds into the Philippines. It has made clear in policy statements that foreign investment is both needed and desired.

Another investment incentive bill, more comprehensive than its many predecessors, is under consideration in the Philippine Congress. However, no such bill has ever been passed by the Congress, and it is not yet clear whether this one will have greater success.

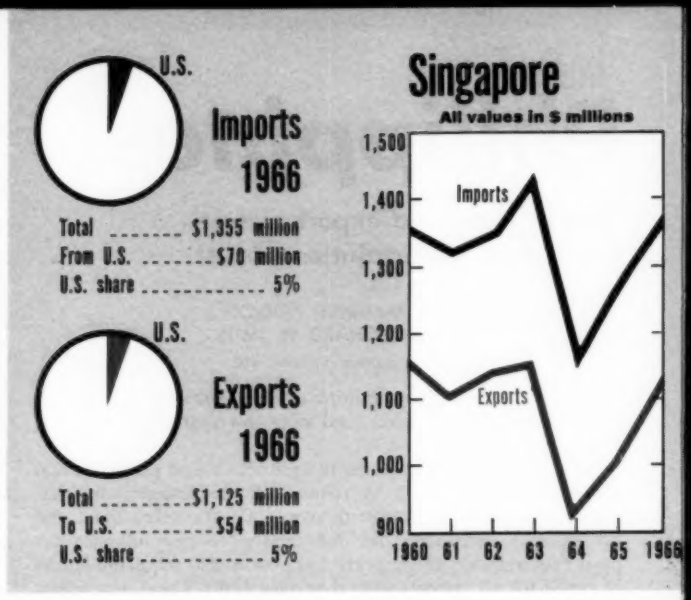
Despite these promotional efforts, the country's great potential for developmental-type investment, and the high interest among prospective American investors, few additional U.S. companies are known to have entered the Philippines in recent years.

Certain basic issues need clarification, such as rights of American enterprises to engage in the broad industrial activities subject to the Retail Trade Nationalization Law, and the terms under which American firms would operate after the expiration of the Laurel-Langley Agreement in 1974. Without this clarification few investors have been prepared to venture forth.

Singapore

Unexpected breaks are helping maintain strong foreign trade growth

By FLOYD J. DUBAS
Far Eastern Division, BIC



Singapore's foreign trade growth this year is expected to match the increase in 1966, when imports were up 6.7% and exports climbed 12.3%. Unexpected breaks in foreign markets—such as a remarkable recovery in trade with Indonesia and a brisk demand for Singapore products in South Viet-Nam—are helping to achieve this rise.

Buying from the United States in 1967 will probably increase over the previous year at the same rate as total imports.

An additional factor in the rising exports is the development of new markets in other Southeast Asian countries for the products of Singapore's new industries. Credit for this success goes equally to government leaders who have set the stage for progress by enlarging Singapore's extensive foreign trade infrastructure and promoting industrialization, and to Singapore's energetic businessmen who have found export markets for new products.

Supported mainly by a prospering foreign trade, Singapore's gross national product (GNP) reached $1,062 million in 1966, a gain of 5.4% over the previous year in real terms. Recent business trends in Singapore indicate a similar increase for 1967. Growth of imports during the past two years has generally been related to the rate of growth in GNP.

Although unemployment is rising somewhat, Singapore businessmen are encouraged by the Government's economic development programs to improve the business climate. These include expansion of port, electricity and water facilities, and increased space accommodations for new industries in the Jurong Industrial Estate.

Foreign and local investors are being attracted to manufacturing for export by the Government's generous investment incentives which include a 90% tax concession over a ten-year period, following a full tax holiday lasting for five years. The long awaited double taxation agreement between the United States and Singapore is now being negotiated.

Singapore's foreign trade is largely of an entrepot character—about 44% of 1966 imports were for local use and the rest were reexported. The trend has been toward greater retention of imports for local consumption, and imports of raw materials now constitute a major share of retained imports.

While exports of local products are a relatively small part of total exports, they are growing steadily and reached 13% in 1966.

The Indonesian economic blockade initiated in 1963 against Malaysia, which then included Singapore, brought on a serious reduction in Singapore's foreign trade in 1964. However, increased trade with Malaysia in the following years, plus greater export sales of local products in new markets, including U.S. buying for Viet-Nam, have combined to offset the entrepot trade loss with Indonesia.

Indonesian trade recovered

These developments have produced moderate annual gains in Singapore's foreign trade in recent years. If the present trend in the recovery of trade with Indonesia continues, Singapore's foreign commerce may show a better than moderate growth for 1967.

Imports into Singapore from the United States in 1966 were $70.2 million, and exports to the United States were $53.8 million. The United States supplied 5.2% of Singapore's imports and took 4.8% of its exports.

Singapore's imports from the United States increased about 9% over 1965, and exports to the U.S. grew by almost 30%.

American suppliers made their most significant sales in earthmoving equipment and parts, heating and cooling equipment, diesel engines and parts, tractors, materials handling equipment, lubricating oils, and tobacco and cigarettes. More modest sales were made of wheat, cotton and oranges.

U.S. exporters show good sales performances in these products mainly because they are particularly competitive. This success is also the result of careful selection of distributors and giving them full support, which includes competitive credit terms. Many American suppliers are raising their share of Singapore's billion dollar market in a wide range of products by applying these tested marketing principles.

However, U.S. sales are insignificant or zero in a host of product items which are being profitably supplied to the Singapore market by third-country exporters.

With the recent resumption of trading relations with Indonesia, Singapore has started to make substantial sales to that country, and this trade is increasing rapidly. Well-stocked Singapore merchants have a marked advantage in supplying goods to the Indonesian market, for they can make quick deliveries by reason of proximity to the market.

Indonesian importers find this very desirable as it enables them to shorten the duration of high-interest loans which they need to buy letters of credit and to make the necessary advance import duty payments.

Most Indonesian importers dealing direct with far-away suppliers must borrow money for periods of from two to three months. Foreign suppliers are frequently asked to extend credit by Singapore importers, and those who are in a position to comply are benefitting from Singapore's increased trade with Indonesia.

CHIEF SINGAPORE IMPORTS FROM U.S.: machinery, transport vehicles, tobacco and cigarettes, chemicals, petroleum products. **CHIEF SINGAPORE EXPORTS TO U.S.:** crude rubber, spices, cotton clothing, ship and aircraft stores.

Taiwan

Rising incomes opening up Taiwan market, U.S. market share may end nose-dive

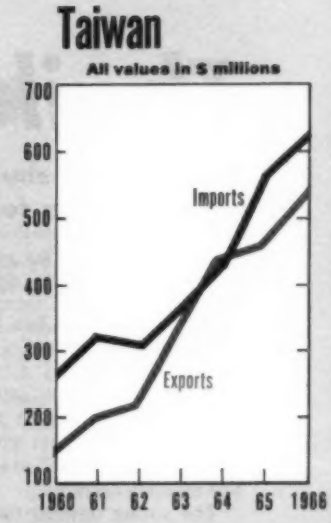
By TADD A. LINSENMAYER
Far Eastern Division, BIC

Imports 1966

Total ..... $624 million
From U.S. ..... $167 million
U.S. share 27%

Exports 1966

Total ..... $536 million
To U.S. ..... $116 million
U.S. share 22%



Taiwan's total imports in 1967 are expected to rise at a considerably more rapid rate than the 12% gain registered last year, and could well rise to between $750-800 million. At the same time, the U.S. share of the market is expected to end the nose-dive it has taken since 1963, and in absolute terms U.S. sales should expand substantially.

What is happening in the Republic of China is a complex and habit-forming phenomenon associated with an approach to economic well-being. With per capita national income at $189 per year, the average income level in Taiwan is considerably above that in many other developing countries.

Per capita income is just one indication of this new semi-affluence. The increase in bank deposits by individuals (as opposed to corporate or government deposits) from $4.15 per capita in 1957 to $45.77 per capita in February 1967 is perhaps an even better indication of the degree to which Taiwan's populace has risen above the subsistence level.

Indeed all of the traditional economic indicators point to the fact that Taiwan has a healthy, relatively prosperous and growing economy. Gross National Product has grown by an annual average of 9.3% in real terms since 1958, and last year reached $3.1 billion. Industrial output continues to outpace agriculture as a contributor to national income, wholesale and retail prices are holding reasonably steady, and the rate of population growth is declining.

Prosperity and economic growth are habit-forming and must, of course, be maintained. To do this Taiwan must continue to expand its exports, a fact which has been recognized by Chinese Government officials for many years. What has only been fully recognized within the past year, however, is that exports and prosperity are both dependent on the expeditious handling of essential imports—especially raw materials and capital equipment.

Prosperity has brought with it the notion that time means money, and that the time delays resulting from the still cumbersome formalities and procedures associated with import licensing and customs clearance serve only to increase the costs of production and the prices of export goods.

This notion was officially recognized by the Government in its "Enforcement Rules of the Statute for Encouragement of Investment", published in English in Oct. 1966. These rules stipulate that the Chinese Ministry of Economic Affairs (MOEA) will prepare new and simplified regulations in order to facilitate both investment and export. As part of these new regulations, the MOEA is planning to simplify procedures for import licensing, customs clearance, customs inspections, assessment of duties and dues, and the furnishing of securities or bonds for the import of raw materials and machinery for the production of export goods.

Import rules easier

Just how far and how fast this simplification of import procedures will go is uncertain, but a start, at least, has been made. Taiwan importers previously had been required, when opening a letter of credit, to immediately deposit local currency equal to 100% of the foreign exchange required. Effective in May of this year, however, importers are now required to make a deposit equal to only 50% of the foreign exchange required, the balance to be paid when the goods actually arrive.

The improvement in Taiwan's foreign exchange reserves, now equal to about seven months' imports, should make further simplification and liberalization of import procedures feasible this year.

Last year, in spite of a $37 million drop in U.S. economic aid shipments, Taiwan's total imports rose by $67 million to $624 million, 12% above the 1965 level. Although the U.S. aid program was officially terminated in June 1965, some shipments are still being made in connection with projects or programs started before that date. Last year, however, these shipments dwindled to only $27 million.

The U.S. share of the Taiwan market continued its downward trek to 27% (compared to 45% in 1963). In part the phase-out of the aid program is responsible for this decline, but perhaps even more significant is the intense competition offered by Japanese suppliers. The Japanese share of the market now stands at 42%.

There is considerable hope, however, that this decline in the U.S. share of the market may end this year. U.S. exports to Taiwan for the first five months of this year were 67% above the level for the same period in 1966. Even if this pace is not maintained, an increase of 30-35% for the year as a whole is a very real possibility.

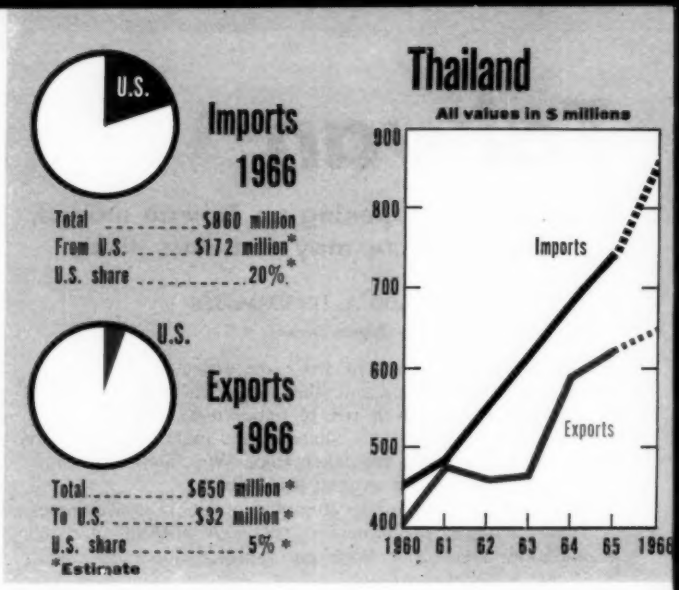
The recent approval of a $5 million credit by the U.S. Export-Import Bank to finance Taiwan imports of American machinery and equipment offers additional hope for U.S. suppliers in the Taiwan market. This credit was extended to two Chinese banks, which in turn will make sub-loans to individual Taiwan mining and manufacturing firms. A special sales effort is needed in connection with this credit, however, since many Taiwan buyers will have only a general idea of the type of equipment which they require.

CHIEF TAIWAN IMPORTS FROM U.S.: raw cotton, wheat, soybeans, iron and steel scrap, machinery and tools, internal combustion engines, tobacco. CHIEF TAIWAN EXPORTS TO U.S.: plywood, clothing, sugar, canned mushrooms, canned pineapple, plastic manufactures.

Thailand

Business tone ebullient as economy thrives; good prospects for continuing development

By RICHARD P. RICE
Far Eastern Division, BIC



Achieving targets has become a habit in Thailand's recent economic development, and the prospects for further growth appear excellent.

During 1966 U.S. suppliers captured an increased share of the enlarged import total. The Thai market for foreign products continues to grow, and there are indications that the United States will at least maintain this share during 1967 and possibly exceed it.

The strong upward trend of the Thai economy in recent years has contributed to the steady growth of U.S. exports. The emphasis on industrialization and Thai investment in infrastructure projects continue to create a high demand for American products.

A preliminary estimate of the increase of Thailand's gross national product for 1966 indicates a 9% rise in real terms compared to an 8% increase in 1965. This ranks Thailand as one of the fastest developing Asian countries, and indicates considerable promise for continuing development.

The economy experienced rapid growth in employment and income, which was helped by accelerated U.S. assistance programs. The strong showing of Thai exports of rice and maize was a major factor in the rise in GNP.

Thailand's Second Five Year Economic Development Plan for 1967-71 calls for a GNP totaling $6.3 billion by the end of the five-year period, in comparison with an estimated $4.4 billion achieved during 1966.

At current rates of growth, the 1971 target will be in excess of planned goals. The plan, now well underway, is concerned mostly with expenditures in the public sector of the economy. Large allocations are planned to increase existing power generating facilities, improve port facilities, and expand irrigation and sewer-systems. The modernization of agriculture and improved educational facilities are high on the list of Thailand's major priorities. Projects under this Plan are designed to encourage spontaneous private enterprise efforts and to provide the means and opportunities for the private sector to expand.

The Plan anticipates total expenditures of $2.65 billion. Of this total- one-fourth will be sought from foreign sources, primarily the United States. It can be anticipated that proposed infrastructure projects will provide a market for U.S. exports of capital goods and equipment.

The general tenor of business conditions in Thailand can be described as ebullient as order-taking remains high. The dynamic qualities of Thailand's private sector are apparent in the construction and building materials industries, leaders in the present boom.

Despite recent rises in consumer price indices from 105.7 in Jan. 1966 to 111.6 in Jan. 1967 (1962 equals 100), sound monetary and fiscal policies of the Thai Government have kept inflationary pressures to a minimum.

Forward drive in the private sector and prudent financial policies are key factors in Thailand's continuing progress in economic and social development.

Exports continue climb

Commercial imports from the United States, according to preliminary data for 1966, were valued at $172 million or 20% of the total import market of $860 million. During 1965 U.S. commercial imports were estimated at $118 or approximately 16% of total Thai imports of $740 million.

U.S. exports to Thailand in the first five months of 1967 (excluding special category or military shipments) continued at a brisk clip, and amounted to $69 million as compared with $48 million during Jan.-May 1966. This represents a rise of 43%.

Large imports of U.S. machinery and transportation equipment continue to make up a significant part of this trade as Thailand continues its quest for economic development.

The prospects for further expansion of U.S. exports of construction and mining machinery, tractors, internal combustion engines, telecommunications apparatus, motor vehicles, pumps and centrifuges, and mechanical handling equipment appear excellent. Imports of U.S. air conditioning and refrigeration equipment continue to be large as the boom in the building and construction industry generates a high demand.

Despite the large amounts of imports into Thailand during 1966, the country's balance of payments did not appear to be under strain. Foreign exchange reserves climbed steadily during the year and reached $832 million by the end of Jan. 1967. The Thai baht remains a "hard" currency and traders and investors face none of the restrictions which hinder the free transfer of funds in other developing countries.

The U.S. Trade Center in Bangkok is continuing a full schedule of U.S. product shows during the next six months to assist U.S. businessmen to expand their sales in this fast-growing market. A show featuring refrigeration equipment is planned for August, and a supermarket and foods show will be produced during November. These shows are supplemented by between-show promotions of U.S. products sponsored by individual U.S. firms or trade associations, and by displays of products under the continuous Sample Products Display Service.

CHIEF THAILAND IMPORTS FROM U.S.: machinery, transport equipment, tobacco, cotton, petroleum products, chemicals, pharmaceuticals. CHIEF THAILAND EXPORTS TO U.S.: tin, tapioca and cassava, rubber, kapok.

Near East-South Asia

Crisis has not materially affected trade with U.S.'s largest markets in area

By JACKSON B. HEARN
Near East-South Asia Division, BIC

The outlook in 1967 for U.S. exports to the Near East-South Asia area is for a decline from the level of $2,604 million reached in 1966. Barring a major interruption in our trade relations with the area, however, the decline is expected to be small, and the United States should continue as the principal or second largest supplier of our major trading partners in the area.

The sharpest drop will come in exports to the United Arab Republic (UAR), where the cessation of PL-480 shipments and the country's critical exchange position are likely to reduce exports by about $100 million. Marginal declines are expected in India and Turkey because of lower PL-480 shipments. Our exports to Pakistan, on the other hand, are expected to be up by about $75 million. Slight increases are anticipated for the other major markets in the area.

The Near East crisis is a disruptive element in our trade with Arab countries, but it should not materially affect our trade with our largest markets in the area —India, Pakistan, Turkey, and Iran. These predictions would be upset, however, by a lengthy closure of the Suez Canal or a serious reduction in foreign exchange earnings of countries in the Near East and South Asia.

U.S. exports to the area during January-April were higher than in the comparable period of 1966, but this was accounted for almost entirely by a sharp increase in aid shipments to Pakistan in contrast to the low level of such shipments during January-April 1966.

Increased import levels

The area's major developing countries require an increasing level of imports to meet the demands of economic development programs. Some of these countries have important earnings and can pay for such expenditures but several continue to experience severe shortages of foreign exchange and must depend to a large degree on foreign economic assistance to meet these demands.

U.S. project and commodity assistance, with its tied procurement provisions, thus affords U.S. firms an important means of access to these markets.

U.S. sales to India, Pakistan, Turkey, and Afghanistan are, in fact, largely conditioned by aid levels, since three-fourths or more of our exports to these countries are financed by aid. A recently instituted assistance program for Ceylon also will provide the vehicle for a sharp expansion in U.S. sales there.

Exports to India in 1967 are likely to be at about the 1966 level or slightly lower, principally because of an unexpected decline in PL-480 shipments. Some increase is anticipated, however, in shipments under economic assistance loans.

A potentially favorable trade factor in India is the substantial liberalization of import restrictions instituted in June 1966 and supplemented in April of this year. These liberalization measures are designed to bring a freer flow of raw materials, components, and spares to Indian industry, and particularly to export industries. To the extent that these measures succeed in expanding India's exports, they will provide the means for increased purchases abroad, for which the U.S. is in a position to compete with other suppliers.

A sharp recovery is expected in U.S. exports to Pakistan in 1967 with higher levels of both PL-480 and economic assistance. Total U.S. exports to Turkey should fall slightly in 1967, due to lower levels of PL-480 and economic assistance; but, as in the recent past, rising foreign exchange earnings will provide the opportunity for increased commercial sales outside of the aid program. Iran's oil revenues of $700 million or more will support a sustained hard-currency demand for imports, and a moderate increase should occur in our exports to that country.

The U.S. trade picture is clouded by the recent crisis in the Near East. Exports to the UAR have been decreasing, and recent developments will probably add momentum to this adverse trend. Losses of revenues from tourism and from Suez Canal toll earnings will further aggravate the UAR's already depleted foreign exchange reserves, at least for the immediate future.

In Israel and Lebanon, the outlook is mixed. Except for the decline in 1966 in U.S. exports to Israel, resulting from a mild recession, the trend of U.S. exports to both countries has been upward in recent years.

The new crisis, following that touched off by the Intra-Bank failure, however, has created economic stresses that will impair Lebanon's ability to import, at least for the present. This is particularly true in view of Lebanon's middleman role for trade with neighboring Arab states.

In contrast, U.S. exports to Israel are expected to increase. In all three cases—the UAR, Israel, and Lebanon—any detailed forecast of U.S. trade prospects must await a clearer indication of the sort of pattern that ultimately will emerge from the current disarray.

A continued growth may be expected in our exports to Saudi Arabia, Kuwait, and the Trucial States. Major development programs are under way in Saudi Arabia in roadbuilding, agriculture, water development, grain storage facilities, and other industrial facilities.

In both Saudi Arabia and Kuwait, there is increasing activity in water desalting facilities, petrochemicals, and construction, with oil revenues of over $700 million in each country paying the bill for these developments.

Significant expansion

Iraq's significant industrial expansion plans are likely to be implemented once oil revenues are resumed, and there are important programs in transportation development being carried on in the Trucial States of Dubai and Abu Dhabi, where oil revenues are becoming increasingly important.

Saudi Arabia, Kuwait, and the Trucial States have been particularly attractive markets because of the virtual absence of direct import and exchange controls.

The best prospects for U.S. sales in the Near East and South Asia continue to be in capital goods, raw materials and intermediate goods, and spares for economic development programs. Power generating machinery, agricultural machinery and implements, irrigation equipment, food processing machinery, fertilizers, food grains, pharmaceuticals, and tourism-related goods and services continue to enjoy a broad based demand in the area. Consumer durables and foodstuffs also have been good sellers in Saudi Arabia and Kuwait, and to a lesser extent in Israel, Lebanon, and Iraq. There is a strong demand in many countries for technical know-how and consulting and construction services.

India

Depressed state of economy continues to curtail foreign trade levels

By JOE LILL
Near East-South Asia Division, BIC

India's foreign trade is expected to show a decline in 1967 for the second successive year. Trade with the United States, which held up well in 1966, will also decrease.

The prediction of a downswing in imports from the United States is based primarily on expectations that food shipments will fall considerably short of last year's volume. Other factors inhibiting India's foreign trade are the depressed condition of the economy and the disappointing performance of Indian exports. Foreign aid is likely to stay at the same level.

Gross National Product (GNP) for India's fiscal year which ended Mar. 31 was $49.2 billion (1965-66 prices), a decline of 4% from the preceding year. Per capita GNP in 1965-66 was $101, based on a population of 490 million.

Whereas prior to 1964, industrial production had increased at an annual rate of 7 to 8%, the industrial growth rate declined to 4.3% in 1965 and to 2.5% in 1966.

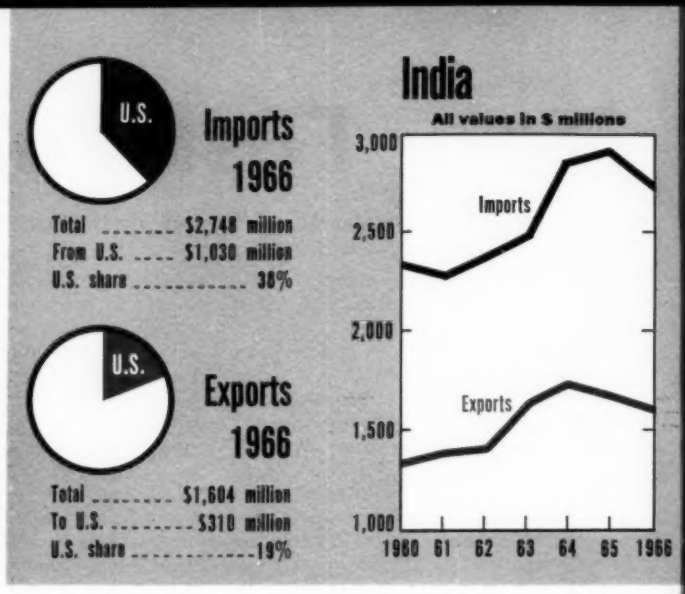
While there are some indications of a moderate pickup in industrial production in recent months, GNP will be affected by adverse weather conditions and low farm output for the second year in succession.

Priority to agriculture

India is importing foodgrains from the United States, Canada, Australia, and other countries on both concessional and commercial terms. The food situation will remain extremely precarious until the fall crops are harvested and could become more so if the Suez Canal continues closed. Conscious of the vital need to increase food output, India is giving top priority to the agricultural sector, with emphasis on application of fertilizers and improved seeds in selected areas.

There is no ignoring the very serious effects of the poor crops on India's predominantly agricultural economy. Farm income is low and rising food costs have cut into consumer purchasing power. Scarce foreign exchange has had to be used to import not only foodgrains but also agricultural raw materials.

The return of favorable monsoons this year would give a tremendous boost to sagging business confidence, for the 1966 devaluation and subsequent trade liberalization measures have provided the framework for a brighter economic outlook than is now in evidence.



The wholesale price index for March 1967 was about 18% higher than that of a year earlier, and food prices rose almost 20% during the same period. The balanced budget presented to Parliament in May was designed to check this inflationary trend.

Despite the extraordinary strains on the economy from the agricultural crises, the budget provides for developmental expenditures at about the level of fiscal 1966-67.

In 1966, the United States continued as leading supplier to the Indian market and also became the major importer of Indian goods. Cereals accounted for 53% of American exports to India last year, compared with 44% in 1965. However, the most remarkable U.S. export gains were in fertilizer sales, which jumped from $33 million in 1965 to $76.6 year's level of $900 million.

U.S. producers also made significantly larger sales of lubricating oils and greases, nuclear reactors, metalworking machine tools, heating and cooling equipment, sulfur, telecommunications equipment, pumps and centrifuges, dry milk, and railway vehicle parts.

Continuing its policy of liberalizing administrative import restrictions, India announced on May 1 the removal of deadlines for license applications and elimination of the six-month licensing cycle for production requirements of 59 priority industries.

These measures were taken following indications from the World Bank Aid-to-India Consortium that commodity aid during Indian fiscal year ending Mar. 31, 1968, would remain at about the previous year's level of $900 million.

Other than foodgrains and fertilizers, the most promising sales opportunities under U.S. AID programs include irrigation and farm equipment, machine tools, other essential capital goods, and machine components and parts.

Vigorous and competitive sales efforts could lead to a better U.S. share of the Indian market for steel and aluminum alloys, textile machinery, excavating and leveling machinery, heating and cooling equipment, pumps for liquids, and mechanical handling equipment.

The tremendous potential of the Indian market has continued to attract the interest of U.S. investors. The investment climate in India has shown improvement over the years, and substantial concessions are offered to the foreign investor. Special incentives to the fertilizer industry have been extended to the end of 1967.

An important inducement to U.S. investment in India is the availability of Cooley loans under the U.S. AID program to help finance construction and other local costs. Loans approved so far this year provide rupee funds for plants to produce carbon black, process control instruments, chemicals and drugs.

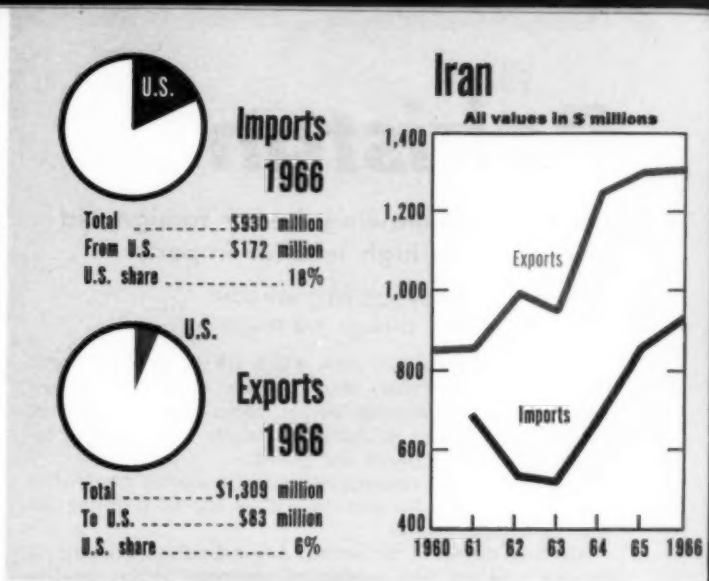
As of Mar. 31 joint ventures in India with substantial U.S. participation have received 63 Cooley loans for a total dollar equivalent of almost $108 million. In addition, about $37 million in Cooley funds are available for further loans.

CHIEF INDIAN IMPORTS FROM U.S.: grains, machinery, metals, fertilizers, petroleum products, transport goods, cotton, dry milk, vegetable oils. CHIEF INDIAN EXPORTS TO U.S.: jute and cotton fabrics, cashews, metallic ores, tea, shellfish, sugar, mica, lac.

Iran

Rising import levels should top $1 billion for first time in '67

By ROGER D. SEVERANCE
Near East-South Asia Division, BIC



The prosperous Iranian market continues to expand and imports should easily exceed $1 billion in 1967 for the first time, although a prolonged closure of the Suez Canal could adversely affect this outlook.

The United States is expected to maintain its present 20% share of the market.

Rising oil revenues, the key to a healthy economy in Iran, coupled with increased drawing down of foreign loans and credits, provide the financing for the expanding import requirements of the country's many development projects. U.S. and European suppliers of capital equipment for these projects, however, currently face increased ocean freight bills for shipments that normally pass through the Suez Canal.

Statistics recently released by the Ministry of Economy show that Iran's GNP increased 8.5% (at constant prices) during the year ending Mar. 20. At that time, GNP was $6.4 billion compared to $5.9 billion at the end of the previous year.

Manufacturing was up 11%, oil production 13%, and construction 15%, but a loss of one-third of the cotton crop to the boll weevil hampered the agricultural sector, although harvests were otherwise good.

Price stability during recent years has been a major asset to the Iranian economy. The wholesale price index rose two-tenths of 1%, and the cost of living index increased 2.5% during the twelve months ending Jan. 20.

U.S. expands market

U.S. sales continued to rise with the overall expansion of the Iranian import market. U.S. exports for 1966 (including special category exports) were $230.4 million, up from $195.1 million in 1965. First quarter 1967 exports dropped slightly, however, to $53 million from $57.8 million in the first quarter of 1966.

Iranian statistics for the first 11 months of the last Iranian year (Mar. 20, 1966-Feb. 21, 1967) show total imports of $862.6 million compared with $711.2 million for the same period of the previous year. The U.S. share of the market expanded from 18% to 19.6%, as imports from the U.S. for these periods increased from $138.9 million to $169.1 million.

As in 1966, future increases also are expected in shipments of machinery and equipment. In particular, U.S. exports of specialized equipment for Iran's new petrochemical industry should rise as construction on these Export-Import Bank-financed projects begins.

Some significant changes marked Iran's annual import-export regulations issued at the end of March, as the policy of restricting imported products which compete with locally-produced goods was extended.

Imports of a wide range of items including tires, deep-well pumps, boilers, turbines, certain pharmaceuticals, sheet glass, and aluminum ingots and scrap were made subject to prior government approval. Additional import taxes were levied on powdered milk, butter, vegetable oils, refrigerator and cooler components, and television tubes.

Large increases in import taxes on passenger and sports cars were also put into effect, and in a subsequent separate action the government increased selling prices of imported as well as locally-assembled vehicles. The official retail price of a Chevrolet Impala is now about $7500 and that of a locally-assembled Rambler American 220 about $3750.

With the emphasis on industrial development, U.S. machinery and equipment manufacturers are finding a receptive market in Iran. In a recent special report, the U.S. Embassy in Tehran reported promising near-term export markets for the following products: serums, vaccines, anti-knock preparations, plywood, alloy steel bars, tinplate, food processing machinery, pumps, and non-electric power hand tools.

CHIEF IRANIAN IMPORTS FROM U.S.: cottonseed oil, soybean oil, agricultural tractors, wheat, automobiles. CHIEF IRANIAN EXPORTS TO U.S.: crude oil.

Oil revenues, which dominate the balance of payments account, continue to rise as Iran increased its net crude oil production from 688 million barrels in 1965 to 771 million barrels in 1966. Revenues from the Oil Consortium, which produces 95% of Iran's oil, amounted to $568.1 million for 1966.

Tight payments outlook

Iran's balance of payments situation is expected to remain tight, however, as development needs continue to stretch foreign exchange resources.

Recently signed trade agreements with Eastern European countries and the USSR will continue to adversely affect the market for some U.S. exporters. Farm tractors and ploughs (Romania), diesel locomotives and railroad freight and passenger cars (Hungary), food processing, road building, and metal working equipment (Poland), and power generating equipment and vegetable oils (USSR) are some of the items Iran is expected to import under these agreements.

Imports of farm tractors already have been prohibited from countries other than Romania.

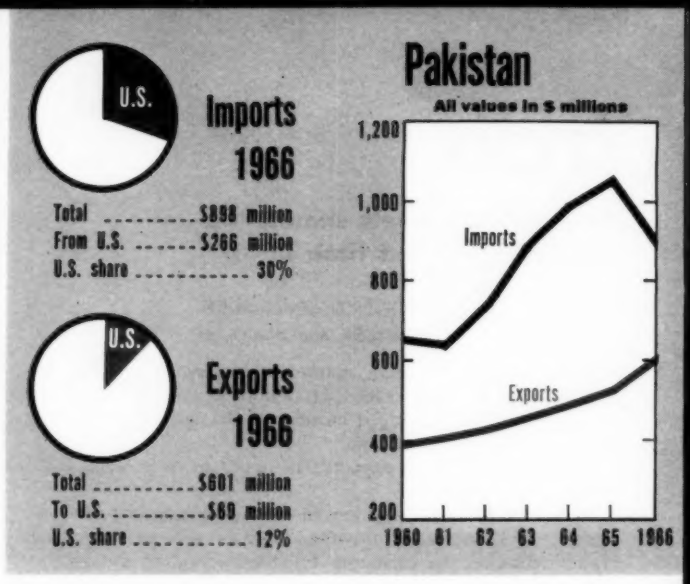
Iran continues to seek private foreign investment. The current emphasis is on projects to convert the semi-finished products of the iron and steel mill and petrochemical plants now under construction into finished products. The development of agriculture and food processing is also receiving priority in the plans of the Iranian Government.

Pakistan

Good export showing, heavy foreign aid should ensure high level of imports

By JOSEPH C. WILSON

Near East-South Asia Division, BIC



Pakistan's lively export sales, which are expected to exceed $600 million this year, coupled with substantial foreign assistance over the coming months, should provide much of the necessary foreign exchange to supply the country's requirements for agriculture and industry.

Demand will still outstrip available purchasing power, but indications are that the pressure will be alleviated during the next six to nine months.

Although details of the current Aid-to-Pakistan Consortium meeting have not been announced, prospects appear good in support of Pakistan's request for foreign aid, the largest share of which will probably be earmarked for commodity imports.

The government has indicated its intention to economize on military spending in favor of developmental expenditures.

A considerable amount of Pakistan's purchasing power is dependent upon agricultural production, largely influenced by the vagaries of weather. During the past year, much foreign exchange had to be allocated for commercial purchases of wheat and rice to make up for a deficit in its own crop yields. The situation was worsened by the limited availability of U.S. surplus agricultural commodities under the U.S. PL-480 program.

Pakistani planners recently revised the Third Five-Year Plan (1965-70), modifying priorities and rephasing development expenditures in order to make up for a shortfall in spending during the first two years.

Emphasis now is on agriculture and supporting industries, industries utilizing existing capacity and local materials, and industries with export potential.

During recent years the gross national product (GNP) has shown an encouraging overall growth. The average rate of increase over the 1960-65 period was 5.5%, rising to an estimated $11.7 billion this year. Per capita GNP is $99.

An inflationary trend persists, sparked by an imbalanced demand for consumer goods and food, and by military expenditure and the government's deficit financing. The stock market continues in a depressed state, and even substantial infusions of capital by the government-sponsored Investment Corporation of Pakistan have failed to produce appreciable results.

There is evidence, however, that the authorities are taking steps to control inflationary pressures by tightening credit and instituting exchange controls which reduce the outflow of foreign exchange. Reports indicate that there is a considerable amount of confidence in the country's future among Pakistani business and government circles.

One aspect of doing business in Pakistan which should encourage U.S. exporters and investors to take a penetrating look at the country is the degree of activity shown by competitor nations. In addition to the United Kingdom, which continues its long-standing and very effective sales effort in the country, there is evidence of increasing efforts on the part of other European countries and Japan.

Experience has shown the Pakistani customer places emphasis on price, and where the U.S. supplier does not have a clear-cut price advantage, he may find it requires considerable ingenuity to win sales based on other competitive considerations such as quality and performance.

Appointing a well qualified agent is the best step the U.S. exporter can take to obtain his share, not only of immediate sales, but of future sales which can only be insured by adopting the long-range view toward the market. The U.S. exporter may find that an investment in developing and training agency personnel from the ground up will pay better dividends than dependence on established sales organizations.

CHIEF PAKISTAN IMPORTS FROM U.S.: foodgrains, fertilizer and pesticides, iron and steel products, transport equipment, electrical power machinery. CHIEF PAKISTAN EXPORTS TO U.S.: jute and jute fabrics, cotton textiles, shellfish, gum and resin, wool, leather.

Trade statistics for the July 1966-Jan. 1967 period (latest available) show Pakistan's imports running 10% above the same period of the previous year. Principal categories of imports are foodgrains, edible oils, machinery (including electrical), transport equipment, fertilizers, pesticides and other chemicals.

The United States should maintain its share of the expanding market during 1967, finishing close to the 30% mark which it achieved in 1966. This would indicate a volume of sales in the vicinity of $300 million.

Despite a persistent shortage of foreign exchange, Pakistan has continued efforts to liberalize its import policy.

Positive steps taken so far are the expansion of a Free List of commodities which may be imported without import licenses, and the establishment of a bonus voucher system which allows Pakistani exporters to earn import vouchers equal to a specified portion of their export sales. These vouchers may be freely traded and currently sell at premium prices up to 160% of their face value.

There are strong indications that the government plans to create some form of state trading corporation.

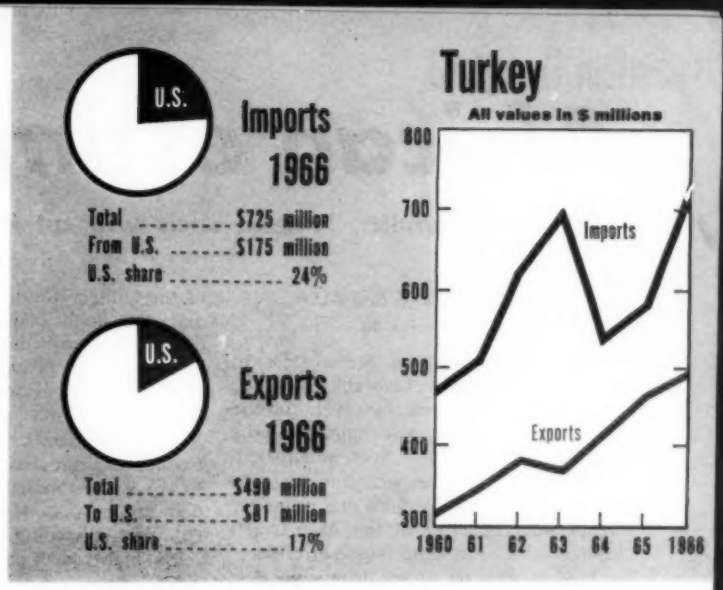
Large projects now on the drawing board include a steel mill, a multi-purpose dam project, a petrochemical project, and fertilizer and pesticide plants. The market will be good for fertilizers, iron and steel products, pesticides, pharmaceuticals, transportation and earth-moving equipment, irrigation and farm machinery and equipment, and a variety of industrial equipment.

Turkey

Rapid industrial growth creates strong demand for capital imports

By PETER B. HALE

Near East-South Asia Division, BIC



Turkish imports reached a record $718 million in 1966, and are continuing at a high level this year. The 1967 total is expected to approximate that attained in 1966. However, U.S. exports in 1967 are expected to be slightly lower than in the previous year.

Rapid industrial development has created a strong demand for capital equipment and industrial raw materials, but depleted lower exchange reserves and somewhat reduced U.S. aid will limit any major expansion of imports.

Foreign exchange receipts are not expected to increase greatly this year, as exports, remittances from Turkish workers abroad, and financial assistance from the Organization for Economic Cooperation and Development Consortium are all expected to remain at roughly the same level as last year. Earnings from tourism are likely to show a moderate increase. The recent Near East crisis has had little effect on the Turkish economy.

In 1966, Turkey's gross national product (GNP) increased approximately 8.5% in constant prices, reaching an estimated $9.1 billion. This growth was the largest since 1953. Much of this increase resulted from a good harvest, as agricultural production was up 10% over 1965. Industrial output also continued its sharp increase, rising 9.5% in 1966.

Imports up

Turkish imports totaled a record $718 million in 1966, up 26% from the previous year. Import items showing sharp increases were machinery, transportation equipment, fats and oils, fertilizers, and metals.

U.S. sales to Turkey rose substantially in 1966, reaching $178 million, compared to the 1965 level of $162 million. The United States remained Turkey's major supplier, but the share of the market slipped from 28% in 1965 to 24% in 1966 and is not likely to regain the lost ground in 1967.

The composition of U.S. exports to Turkey has changed slightly, as shipments of grain under PL-480 declined, while sales of fats and oils, transportation equipment, and construction machinery increased.

Turkish exports increased 6% in 1966, reaching $490 million, compared to $464 million in 1965. Cotton was again the leading export item, followed by tobacco.

Turkish trade with the Common Market countries showed a sizable gain in 1966, as imports from this source rose 40%. Purchases from other Western European countries also rose substantially. Trade with the Soviet Union and Eastern Europe continued to rise, jumping by 40% to $84 million in 1966.

Sharply rising imports

The sharp rise in imports caused a rapid depletion of Turkey's foreign exchange reserves, especially during the latter part of 1966. This has resulted in increased import restrictions—prior deposit requirements for imports were raised for many commodities, the port and stamp taxes were raised, and the import of many additional commodities has been made subject to prior approval by the appropriate Turkish Government Ministry.

Despite these restrictions, and the limited availability of foreign exchange, there are many opportunities for U.S. firms to sell to Turkey. The U.S. Trade and Industrial Development Mission to Turkey, which visited the country in April and May of this year, reported good sales opportunities for U.S. food processing equipment, hotel and restaurant catering equipment, and industrial machinery.

A complete report of the Mission's activities appeared in the June 19 issue of INTERNATIONAL COMMERCE, which along with subsequent issues, listed many specific trade and investment opportunities developed for U.S. firms by the businessmen on the Mission.

CHIEF TURKISH IMPORTS FROM U.S.: wheat, animal oils, motor vehicle and tractor parts for assembly, motor vehicles, internal combustion engines, yarn thread (non-cellulose). CHIEF TURKISH EXPORTS TO U.S.: tobacco, hazelnuts, chrome ore, copper, sheep skins.

The Turkish Government's program to expand agricultural exports provides many good opportunities for sales by U.S. firms. Turkish purchases of fertilizers are rising rapidly, the need for more agricultural machinery and equipment of all types is growing, and processing equipment for all types of agricultural products is in demand.

U.S. manufacturers of many industrial and consumer products have found that the best way to sell in the Turkish market is to establish some form of manufacturing or assembly operation in Turkey. The liberal Turkish Foreign Investment Encouragement Law and the favorable economic climate are bringing an increasing number of U.S. firms into the Turkish market in this manner.

The increased emphasis the Turkish Government has placed on the development of export industries has also created sales opportunities in the lumber and minerals industries. Both of these industries have a great potential in Turkey, and are just beginning to develop.

As Turkish industrial development continues, Turkish businessmen become better customers for more sophisticated machinery and production techniques.

The private sector is now developing larger and more complex types of projects. This adds up to increased sales opportunities for U.S. firms for more complex industrial equipment than was sellable in Turkey several years ago. For example, as current expansion projects in the steel, petroleum and petrochemical industries progress, secondary or intermediate projects will increase.

African estimates revised

Arab-Israeli conflict, Nigeria crisis will cut U.S. export gains in remaining '67 months

By FERDINAND F. PIRHALLA
Africa Division, BIC

Prospects for United States sales to Africa are generally favorable over the long run. The outlook, however, for the remainder of 1967 now appears to be less favorable than had been anticipated.

The smaller-than-expected increase in U.S. sales to Africa will be due primarily to the adverse effect of the Arab-Israeli conflict and continuing Nigerian crisis.

U.S. exports to Africa during the first four months of 1967 were at a projected annual rate of $1,182 million, or 4% above calendar year 1966. In view of the situation in the Middle East and Nigeria, it is now estimated that the figure for 1967 will be only 2.8% higher than 1966, and will come to $1,166 million.

If this figure is reached, it will represent a new high in U.S. exports to Africa.

U.S. sales to South Africa, the most important U.S. market in Africa should register significant gains over 1966, and moderate increases are expected in exports to the Congo (Kinshasa), Ethiopia, Liberia, Morocco, Zambia, and the East African countries of Kenya, Tanzania, and Uganda.

Exports to the Arab-speaking states of Algeria, Libya, Tunisia, and the Sudan are, on the other hand, expected to decline, as are sales to the Ivory Coast and Nigeria. Sales to Ghana should hold at approximately their present level.

The bulk of U.S. exports, as in the past, will continue to consist of machinery, transportation and earth-moving equipment, air-conditioning and refrigeration equipment, spare parts, textiles, metal manufactures, tobacco, and foodstuffs.

Factors conducive to increased sales to Africa are based on a mixture of internal and external developments. Economic activities on the continent are moving forward; dollar earnings from exports to the United States are improving; the flow of capital and technical assistance from external sources is being maintained at a relatively high level.

In addition, economic development plans in a number of the African countries are being implemented; economic cooperation among countries which should result in larger and more prosperous markets, especially in the long run, is progressing with the assistance of the United Nations, the United States, and other donor countries; the investment climate in many countries has improved; and the trade promotion efforts of the U.S. Government which have produced encouraging results will be continued.

Based on data of the United Nations Economic Commission for Africa (UNECA) it is estimated that the 1967 gross domestic product (GDP) of the African continent, excluding South Africa, will be 3.8% higher than in 1966.

Economic activity in South Africa, which accounted for about one-third of U.S. exports to Africa in 1966, is continuing at a high level. It is estimated that South Africa's GDP in 1967 will be 5% above that of 1966.

U.S. exports up 11%

Africa's capability to purchase more from the United States because of dollar earnings is increasing considerably. U.S. imports from Africa during the first four months of 1967 were running at a projected annual rate of $1,069 million, or 11% above calendar year 1966 imports.

Major U.S. imports from Africa consist of coffee, cocoa, copper, crude petroleum, food products, diamonds, metals and ores, and rubber. These commodities will continue to comprise the principal imports from the continent, although imports of petroleum could be adversely affected because of the political developments in the petroleum producing countries of Algeria, Libya, and Nigeria.

U.S. export opportunities in many African countries will continue to be limited because of low levels of economic activity, balance of payments problems, depressed world market prices for primary products, and for other reasons.

A number of African countries, mostly French-speaking, discriminate against U.S. trade in the form of tariff preferences, exchange and other import controls because of trade and economic arrangements with France and other countries. Traditional preferences for the products of the former metropole countries also add to the difficulties of introducing American products in Africa.

U.S. trade and investments are occasionally disrupted or discouraged by political strife. Nonetheless, U.S. investment in Africa has been growing steadily and African countries, in order to attract investment, have been enacting investment codes or laws which generally grant favorable concessions to investors.

In addition, 32 African countries have signed Investment Guaranty Agreements with the U.S. These agreements, which are administered by AID, are designed to protect a U.S. investor against some of the political and business risks inherent in foreign investment.

African earnings from exports will continue to be supplemented by economic assistance from external sources.

A sizable portion of foreign assistance will continue to be provided by the U.S. through its aid program. The Agency for International Development is asking the Congress for $195 million for aid to Africa for fiscal 1968, about the same as in fiscal 1967. This amount does not include other forms of aid such as the Food for Freedom Program, which is expected to be substantial—it totaled $143 million in fiscal 1966.

A reformulated U.S. aid policy for Africa, calling for greater emphasis on regional and multi-donor activities, should speed up the creation of the basic infrastructure systems needed throughout Africa. U.S. exports should benefit as U.S. suppliers take part in this program.

The U.S. Government's efforts to help American firms establish themselves or expand their trade in the African market are continuing. A Commerce Department-organized trade mission, which visited Ghana, Congo (Kinshasa), and Zambia in the early part of 1967, produced gratifying results. Those countries expressed interest in obtaining participation by U.S. firms in 34 joint ventures and licensing arrangements.

Similarly the U.S. exhibitions at the Tripoli International Trade Fair and the Ghana International Trade Fair were highly successful. Additional trade missions and trade fair participations are being planned for the coming year.

Africa is a continent of many and varying markets. To compete successfully with other foreign suppliers and obtain a greater share of these growing markets, U.S. exporters will be required to intensify their sales efforts.

The U.S. Government, through its various trade promotion programs and services, is making every effort to assist American foreign traders in this regard.

Congo

Monetary reform should boost trade, full effect won't be felt until '68

By DOUGLAS F. CARROLL
Africa Division, BIC

The full impact of last month's monetary reform will probably not be felt until 1968, but it appears that U.S. exports to the Congo (Kinshasa) during the second half of 1967 will be stimulated by liberalization of import regulations.

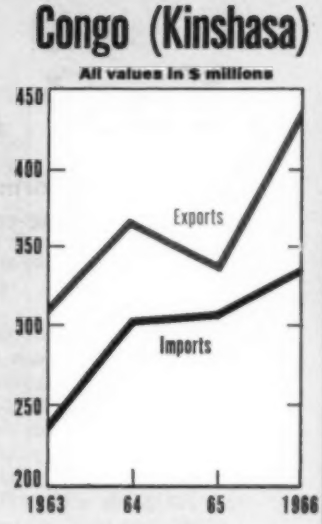
The reform eventually could lead to significant opportunities for both American traders and investors. Much will depend, however, on economic repercussions from the latest uprising in the eastern part of the country and the Government's success in permanently overcoming the recurrent political disturbances that have plagued the Congo since independence in 1960.

Imports 1966

Total ..... $307 million
From U.S. ..... $76 million
U.S. share 24%

Exports 1966

Total ..... $338 million
To U.S. ..... $17 million
U.S. share 5%



The economic stabilization program is intended to restore internal financial stability through sound budgetary, wage and credit policies, and devaluation of the Congolese franc from the former split rate of 150 to the dollar buying and 180 to the dollar selling to the new single rate of 500 Congolese francs per dollar for all transactions. A new currency called the zaire will replace the Congolese franc at a ratio of 1 to 1,000, and will be worth $2.00

The government anticipates that this more realistic exchange rate will allow the the price mechanism to function as an efficient rationing agent for imported goods and thus has eased stringent import licensing requirements including abolition of the cumbersome import quota system. The higher official price of foreign exchange is intended also to restore the profitability of cash crop production for export and to create more attractive investment opportunities in agriculture.

Economic inhibitors

A successful monetary reform will provide a stable framework for continued economic growth and a steadily expanding market for imported goods beginning next year, but for the remainder of 1967 probably will not have sufficient impact to offset other factors which may have a dampening effect on the economy. These inhibiting elements include rising government expenditures, mounting inflationary pressures, the uncertain outlook for world copper prices, and a shortfall in foreign exchange revenues for several weeks early in the year following nationalization of the giant Belgian copper mining concern, UMHK.

The stabilization program should help overcome these problems and allow gross domestic product (GDP) to pass soon the pre-independence level for the first time.

Imports into the Congo during the first three months of 1967 amounted to $48.6 million after totaling $338 million during full year 1966 and $307 million in 1965. U.S. data show exports to the Congo of $59.5 million in 1966 and $71.3 million in 1965. The U.S. is the Congo's second leading supplier, with 24% of the import market in 1965 compared with Belgium's 33%.

The Congo's export earnings showed a big gain in 1966 over 1965, rising from $338 million in the earlier period to $430 million in 1966, due to unprecedentedly high copper prices and moderate gains in the agricultural export sector.

Foreign exchange receipts for the first three months of 1967 totaled $42.9 million, compared to $99.4 million during the same period in 1966. However, during the second half of 1967 receipts should exceed normal levels as copper stockpiled early in the year is exported along with normal production.

U.S. data show that this country imported $44.9 million worth of goods from the Congo in 1966 and $38.3 million in 1965. In the earlier year, about 5% of the Congo's exports went to the U.S. and 54% to Belgium.

U.S. economic assistance to the Congo has enlarged the market for American products in that country. Both the Support Assistance Program and the PL-480 Program have given U.S. businessmen a good opportunity to become established in the Congo by demonstrating the quality of American goods and generating a market for a broader range of U.S. products on a commercially-financed basis.

Commercially-financed exports in particular demand are expected to include industrial spare parts, mining, and transport equipment, and non-luxury consumer goods such as foodstuffs, ready-made women's and children's apparel, used clothing, and small electrical appliances.

CHIEF U.S. EXPORTS TO CONGO: Machinery, cereals and cereal preparations, and transport equipment. CHIEF U.S. IMPORTS FROM CONGO: Metals, palm kernel oil, industrial diamonds, rubber, coffee, wood veneers.

Profit repatriation

A U.S. Government Trade and Investment Mission which visited the Congo at the end of February reported a basically strong demand for a wide range of imports, but concluded that considerable enterprise is required for Americans to sell in the Congolese market at the present time.

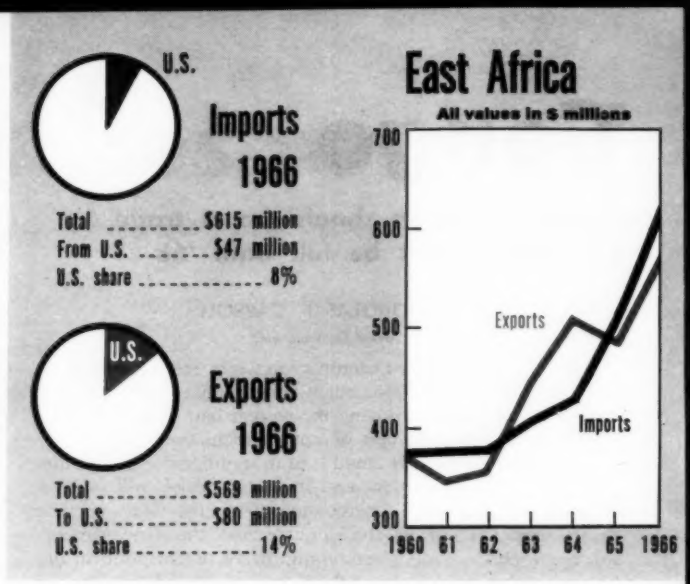
The mission also advised that the time is not yet ripe for major U.S. investments in the area, but recommended that minor investments be considered now in order to gain a foothold for possible large scale capital outlays in the future. The Congo Government is anxious to attract foreign capital and, in connection with the monetary reform, has announced that for the first time since independence foreign investors will be allowed to repatriate profits after taxes earned in 1968.

Repatriation of new share capital invested in industrial and commercial enterprises reportedly will be guaranteed, subject to conforming to directives of the High Commission for Planning.

East Africa

New treaty formalizes regional market, enhances three-country sales prospects

By MAUREEN R. SMITH
Africa Division, BIC



Implementation of newly-signed treaty provisions establishing an East African economic community and formalizing existing common market relationships should enhance the prospects for moderate overall increases in U.S. sales to the region. Present conditions and policies within the constituent national economies point toward an uneven U.S. market performance, however, and strenuous efforts, particularly in the capital goods area, will be required to offset losses due to termination of PL-480 emergency grain shipments.

Kenya, which last year took 73% of U.S. exports to the region, remains our best customer in East Africa. Although some deceleration in the rate of growth of personal incomes may slow the expansion of consumer imports, development of the regional common market probably will increase world shipments to Kenya, the principal entrepot and largest consumer in the area.

In Tanzania, it is expected that purchases of U.S. products associated with the U.S. aid program and consumer preferences for U.S. goods will combine to insulate U.S. exports from the adverse effects of a general decline in economic activity in the wake of selected nationalizations last February.

Uganda, traditionally the smallest purchaser of American commodities among the three nations, may increase its imports from the U.S. by the greatest percentage. Resolution of foreign exchange difficulties associated with last year's issuance by the East African governments of independent national currencies should support a higher volume of imports.

Regional gross domestic product (GDP), which rose to $2,103 million in 1965, has been growing at an average annual rate of 7%, and development plans in all three countries call for annual increments to national output of 6% within the present decade.

The healthy state of business confidence in Kenya and Uganda is reflected in sustained high levels of domestic capital formation, currently averaging 15.9% of GDP in both countries and supplemented by substantial inflows of both public and private capital from abroad.

In Tanzania, however, capital stringencies should be especially severe, in view of a predictable shortage of international funds as an immediate effect of the nationalizations.

Tanzania's President Nyerere has stated emphatically that all facilities to be nationalized were included in February's actions and there will be no further takeovers.

During 1966, the total value of imports from outside East Africa rose by 18% over previous levels to $614.9 million. Although the United Kingdom retained its preeminent position in the market. A 46% rise in U.S. sales in 1966 brought the total to $47.1 million, or 7.6% of extraterritorial imports.

Leading the advance were emergency cereal shipments to the region, amounting to $16.3 million, or 35% of total U.S. exports, some 5.7% above normal levels.

A substantial portion of U.S. exports is financed under the foreign aid program: fiscal year 1966 commitments amounted to $11 million. Continuation of U.S. assistance will create opportunities for additional sales since program funds are tied to purchases of American equipment, materials and services.

The expanding regional economy harbors untapped markets for many new items. Firms interested in selling to East Africa are urged to use the facilities of the Sample Display Center in the United State Commercial Office in Nairobi to establish contact with local agents and distributors at minimal cost.

Among items particularly recommended for display are: watchbands, upholstery springs, automobile seat belts, magnetic recording tape, scissors and shears, carbon sets, agricultural chemicals, zip fasteners, food colorings and essences, heavy duty floor polishers, heavy duty staplers and nailers, and industrial adhesives.

Although contemplated association with the European Economic Community (EEC) remains a distant goal, East Africa's present single column, nondiscriminatory tariff schedule represents no barrier to U.S. exports.

CHIEF EAST AFRICAN IMPORTS FROM U.S.: machinery and transport equipment, cereals and cereal preparations and other foodstuffs, paper and paperboard manufactures, chemical products (elements and compounds), medical and pharmaceutical products, fats and oils, textile fibers and waste. **CHIEF EAST AFRICAN EXPORTS TO U.S.:** coffee, pyrethrum, tea, sisal.

Regional treaty signed

A significant element affecting the future rate and pattern of trade and investment in these three countries will be the establishment of the East African Community, effective December 1, providing for the administration of a common market, a development bank and basic economic services on a regional basis.

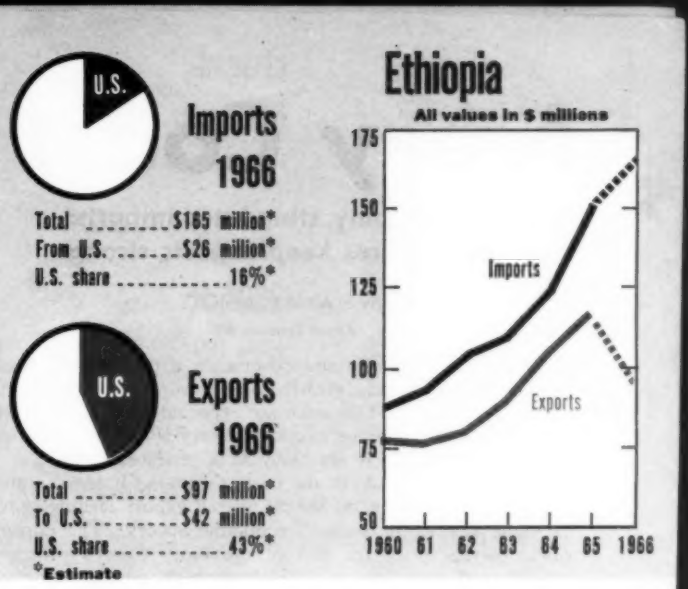
Quantitative restrictions on most intra-Community trade are banned under the treaty, although transfer taxes of up to 50% of the common external tariff can be imposed by a member country on manufactured goods originating in the two other countries in order to protect its infant industries.

East African market performance remained strong during 1966, as some $568.7 million in East African commodities entered world markets. Due to record import volumes, however, the region's balance of payments on trade may show a deficit of as much as $46.2 million for the year.

Ethiopia

Capital goods requirements should improve U.S. position as supplier

By MAUREEN R. SMITH
Africa Division, BIC



The rapid growth of the modern industrial sector and the increased monetization of Ethiopian economic life will continue to exert upward pressure on Ethiopian import requirements for the foreseeable future. While Ethiopian purchases on world markets should continue to grow at an estimated 10% rate, U.S. sales growth should be in excess of the world average owing to the heavy predominance of capital goods in the import package.

Initiation of Ethiopia's Third Five-Year Plan in late 1967, which will channel capital resources into directly productive investments in the industrial sector, should stimulate imports of industrial machinery and equipment in which the United States is competitive.

Although present external reserves are considered adequate, higher coffee sales during the 1967 export season should reverse the 1966 deterioration in the balance of payments, supporting still higher volumes of international purchases.

Finally, proposed utilization of foreign lines of credit and foreign exchange receipts under numerous external assistance programs is directed toward future imports of capital goods associated with economic development programs.

Industrial development

The foundation for this expansion of external purchases has been the impressive development of the industrial sector. While overall gross national product (GNP), estimated at $1,275 million in 1966, has been growing at an average annual rate of 3.5%, manufacturing industry is experiencing a 14% current growth rate. Although still a small contributor to GNP, manufacturers are the principal import buyers and prime consumers of capital goods, the main category of U.S. shipments in Ethiopia.

A high level of business confidence indicates a continued development of industry.

Investment expenditure in both the public and private sectors, amounting to $160 million in 1966, is rising rapidly. Implementation of the Investment Proclamation of 1966, which supersedes the Investment Decree of 1963 but continues to exempt capital goods from import duties and to grant tax exemptions to new industries, is encouraging industrial output.

During the first half of 1966, the latest period for which Ethiopian customs data are available, Italy and Japan maintained their dominant supplier positions, together accounting for 34% of Ethiopian imports.

U.S. exports during the period, amounting to $6.9 million, permitted the U.S. to maintain its fifth rank among Ethiopian suppliers, behind the United Kingdom and the Federal Republic of Germany, but increased the U.S. share of the market to 9.2%.

According to figures released by the National Bank of Ethiopia (which ordinarily overvalues exports and undervalues imports), the total value of Ethiopian imports during 1966 amounted to $131.2 million. Data specifying country of origin are not available.

During 1966 the primary component of U.S. exports to Ethiopia was once again machinery and transport equipment, accounting for 43% of sales totaling $24.4 million, according to U.S. Bureau of the Census figures.

Further contributing to improved U.S. market performance was a marked increase in the sales of U.S. agricultural commodities, due primarily to a sharp rise in PL-480 shipments of cotton, wheat, sorghum, and corn. There were also notable U.S. gains in commercial sales of rice, preserved and canned fruit, soft vegetable oils, frozen and preserved vegetables and dried fruits.

U.S. sales of crude oil, aircraft, hydroelectric generating machinery and coffee cleaning equipment should register significant gains in 1967. Other fields offering excellent prospects for U.S. exports include telecommunications equipment; construction and mining equipment; piston engines; tractors; industrial chemicals; measuring and controlling instruments; office machines and equipment; textile clothes; and miscellaneous tools.

The U.S. Embassy maintains a commercial office in Addis Ababa which is prepared to display sample products of American manufacturers seeking agents or distributors in Ethiopia. Inquiries should be addressed to the Commercial Officer, U.S. Embassy, Addis Ababa, APO New York 09319.

CHIEF ETHIOPIAN IMPORTS FROM U.S.: machinery and transport equipment, cereal and cereal preparations, raw cotton, textiles and fibers, manufactures of metal, professional instruments and photographic equipment, tobacco and tobacco manufactures. **CHIEF ETHIOPIAN EXPORTS TO U.S.:** coffee, hides and skins, oilseeds and oilnuts, candelilla wax, vegetable seeds.

Upturn expected

National Bank figures indicate that the total value of Ethiopian exports fell to $117.1 million in 1966, some $6.9 million below the 1965 level. Principal cause of the decline was the decision of the National Bank to deny licenses for shipments of coffee priced below 40 cents per pound. As a result, coffee exports which are traditionally the main source of foreign exchange, fell by some 20% from 1965 to $64.6 million.

Thus, for the first time in several years, it is anticipated that Ethiopia will show a deficit on its balance of payments for 1966. Despite the deficit, Ethiopia's reserves of gold and foreign exchange are deemed adequate.

Ivory Coast

Growing economy stimulates imports; high world prices keep exports strong

By ELAINE R. ABBOTT
Africa Division, BIC

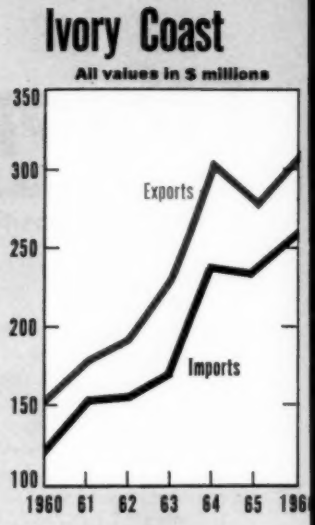
Imports 1966

Total ..... $207 million
From U.S. ..... $17 million
U.S. share 8%

Exports 1966

Total ..... $235 million
To U.S. ..... $37 million
U.S. share 16%

Data, First 10 Months 1966



Total Ivorian imports and exports are expected to increase during 1967 as steady growth in the Ivory Coast economy continues. However, U.S. sales are expected to drop this year, but only because a major aircraft delivery which was reflected in 1966 trade figures is not likely to be repeated in 1967.

The balance of trade of the Ivory Coast has been favorable for 19 consecutive years. Strong overall export earnings have been the key to the nation's economic success. The current world market price for two of the Ivory Coast's principal exports, coffee and cocoa, is relatively high, while production of the other major export, tropical wood, is increasing.

Ivorian data show exports for the first ten months of 1966 at $235 million, up from $229 million for the comparable period in 1965.

Total Ivorian imports during the first ten months of 1966 were valued at $207 million, compared to $189 million for the same period of 1965.

U.S. in second place

According to the latest Ivorian statistics, France continues to be the Ivory Coast's prime supplier with 57% of the market during Jan.-Oct. 1966, down from 63% for the same period in 1965.

The United States is the second leading commercial partner, providing 8% of all goods purchased by the Ivory Coast during the first ten months of 1966 as opposed to 6% during the first ten months of 1965.

Part of the increased U.S. market share in 1966 is explained by the single sale of a jet aircraft to the multi-national air line, Air Afrique, which is headquartered in the Ivory Coast.

No 1967 aircraft deliveries are known to be scheduled, and the overall level of U.S. exports to the Ivory Coast probably will decline since rises in the sale of other U.S. products will not be offsetting.

The Ivorian market offers substantial opportunities for American exporters and investors. Since gaining independence in 1960, the Ivory Coast has enjoyed political stability and rising economic prosperity. Its per capita income of $200 is one of the highest in tropical Africa. The gross domestic product of the Ivory Coast was estimated at $1,021 million in 1966 and its growth rate at about 3%.

U.S. Bureau of Census statistics indicate that U.S. exports to the Ivory Coast for the first four months of 1967 were valued at $4 million, for the whole of 1966 at $23 million, and for 1965 at $11 million. U.S. products being sold to Ivory Coast in larger amounts in recent years include: aircraft, treaded tractors, road maintenance machinery, air conditioners, and paper-board building materials.

Treaded tractor sales have risen notably, due largely to the Government's agricultural mechanization program. In view of the Ivory Coast's plans for agricultural diversification, as well as projects for road, port, and dam construction, there are good prospects for suppliers of land clearing, earthmoving, and road maintenance equipment.

Unfortunately, U.S. exporters are still hindered to some extent by discriminatory Ivorian trade regulations against all imports that do not come from EEC countries or from members of the West African Customs Union.

Although the Ivory Coast has liberalized its licensing procedures in the last two years, it still maintains very high tariffs on goods such as vehicles, tires and tubes, textiles, tobacco products, and used clothing which come from sources other than the EEC and the West African Customs Union.

CHIEF IVORIAN IMPORTS FROM U.S.: tractors (except road and industrial), construction and mining machinery and parts, aircraft, heating and cooling equipment, motor vehicles, parts and accessories for motor vehicles. CHIEF IVORIAN EXPORTS TO U.S.: coffee, cocoa, lumber, manganese.

However, the Government of the Ivory Coast, as a part of its trade diversification policy, has indicated its intention to undertake some tariff reductions which would be favorable to the U.S.

Investment opportunities

Americans have thus far invested only about $20 million in the Ivory Coast, but there is U.S. participation in Abidjan's four commercial banks and the Chase International Investment Corp. is cosponsoring a new Industrial Development Bank (BIDI), to which the U.S. Agency for International Development (AID) has extended a $5 million loan tied to 90% U.S. procurement.

In recent months there has been increasing interest on the part of American companies in establishing operations in the country.

U.S. investors should find particular opportunities in areas such as rubber plantations and related processing industry, sugar refining, paper pulp and products, tuna canning, fish freezing and cold storage facilities, pineapple canning, chemicals (fertilizers and pesticides), air-conditioner and refrigerator manufacturing or assembling, tourist hotels, and mineral exploration and extraction.

Of further interest to potential American investors are features in the Ivory Coast Development Plan which offer priority treatment to businesses in fields covered by the Plan. Priority treatment can include special tariffs on imported machinery, raw materials, components and spare parts, and also tax holidays on some business profits.

Reductions on export taxes would also be considered for businesses manufacturing for export.

Liberia

U.S. share in only American-oriented African market is dipping slightly

By ELAINE R. ABBOTT
Africa Division, BIC

The level of U.S. exports to Liberia during 1967 should be about the same as last year. However, the total value of Liberian imports and exports should increase during 1967, in line with slow but steady progress expected for the Liberian economy. Consequently the U.S. share of the Liberian market is expected to decline slightly in the current year.

The economy of Liberia depends to a large extent on the world market price of Liberia's principal exports, iron ore and rubber, the expenditure program of the Government, and the amount of foreign investment activity.

World market prices for iron ore and rubber are now at their lowest points in some years, and it is doubtful that prices will rise appreciably in the near term. However, increased production of both products has resulted in rising export earnings for Liberia.

The Government of Liberia has been following a tight fiscal policy recently in order to handle its debt payments schedule. The 1967 budget outlines expenditures which have been kept down to a little over $50 million. Several revenue items have probably been overestimated, however, and a shortfall of from $2 to $4 million is possible. As a result, the Government may be forced to make an across-the-board curtailment of its operational expenditures during the last half of 1967.

The austerity program has tended to slow down business activity within the country because the government is normally a very important purchaser of goods and services, particularly in the public works field.

Liberia depends upon foreign investment for much of its future development. As current public projects, some of which are supported by the U.S. Agency for International Development (AID), reach completion there is a particular need for additional private foreign investment to maintain a flow of cash into the economy.

The current demand for imports is adversely affected by the Government's austerity program, the leveling off of AID-financed construction projects, and restricted credit, but there are offsetting factors which should permit the overall level of Liberian imports to increase. This increase should occur gradually as more workers are brought into the monetary sector of the economy, new private investment projects get under way, and more earnings are realized through expanded production of Liberia's main exports.

For the past three years Liberia has maintained a favorable balance of trade and should continue to show a trade surplus in 1967. Total imports rose to $115 million in 1966 from $104.5 million in 1965; while exports advanced more strongly from $135 million to $147 million.

U.S.-oriented

American exporters have some significant advantages in the Liberian market—the only traditionally American-oriented market in Africa. The United States continues to be Liberia's major trading partner and the Liberian consumer is familiar with U.S. products. American product lines have long been established in Liberia and enjoy a reputation for high quality.

However, U.S. exporters face stiff competition from Western European and Japanese competitors. American products must compete in price, delivery time, service, and credit terms with imports of other countries, some of which are of lower quality but nevertheless sell well in the Liberian market.

Although the absolute value of U.S. exports to Liberia has been increasing in recent years, the U.S. percentage of the total import market has been declining. The latest available U.S. Bureau of Census statistics indicate that U.S. exports to Liberia during the first four months of 1967 amounted to $17.6 million, compared to $14.4 million for the same period in 1966.

U.S. exports to Liberia were $38 million in 1966 and $39 million in 1965.

The level of U.S. imports from Liberia for the first four months of 1967 stood at $21.1 million, which is $15.7 million lower than the same period in 1966. However, the U.S. purchased unusually large amounts of coffee from Liberia during 1966.

The level of U.S. imports from Liberia amounted to $59 million in 1966, compared with $51 million during the previous year.

The best current opportunities for U.S. exporters are in items relating to investment. Construction machinery and equipment, and building materials are in demand. If the Government of Liberia's efforts to promote the establishment of agricultural processing plants are successful, food-processing machinery should also develop as a good export possibility.

Liberia needs additional foreign private investment to maintain economic expansion. The Liberian Government, in seeking to attract private investments, has published an Investment Code which offers tax and other incentives.

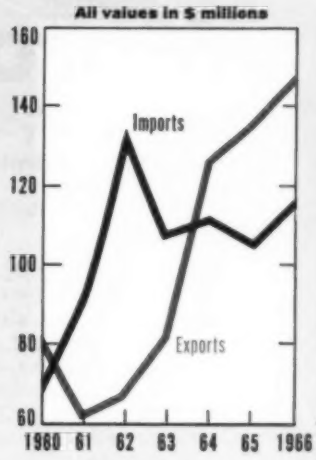
Other favorable features of Liberia's investment climate are the Government's use of the U.S. dollar as its official currency, and its policy of freely permitting the transfer of profits and capital.

Investment in agricultural processing industries is especially encouraged.

Imports
1966
Total ..... $115 million

Exports
1966
Total ..... $147 million

Census Bureau figures show 1966 U.S. exports to Liberia of $38 million, and imports of $59 million from Liberia.

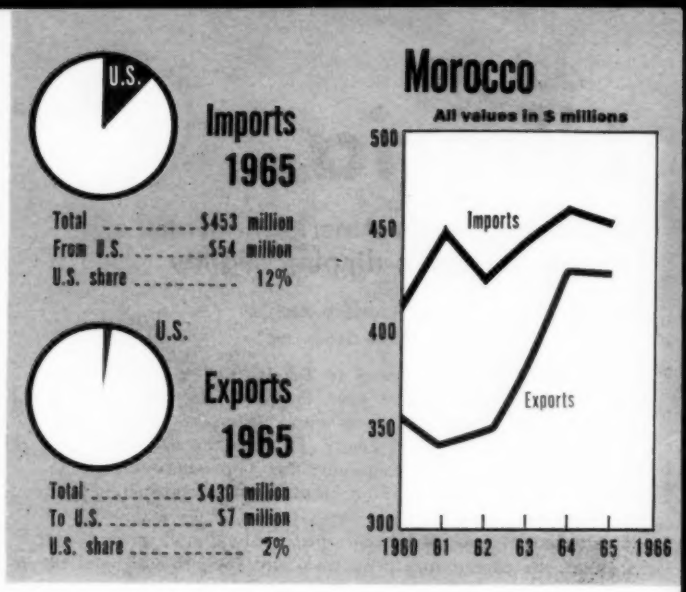


CHIEF LIBERIAN IMPORTS FROM U.S.: milled rice, construction and mining machinery, motor vehicles, tractor parts and accessories, ships and boats, mineral and glass-working machinery and parts, cigarettes. **CHIEF LIBERIAN EXPORTS TO U.S.:** rubber, coffee, iron ore, diamonds (industrial and non-industrial), fish.

Morocco

Tourist industry expected to pace nation's economic expansion in 1967

By PAUL LEINENBACH
Africa Division, BIC



Although U.S. commercial relations with Morocco do not appear seriously affected by the current Middle East crisis, the near term forecast is somewhat clouded. If conditions soon return to normal as expected, U.S. exports to Morocco should increase slightly over the 1966 level.

Morocco's limited foreign exchange earnings will continue to restrict the sale of U.S. products in 1967.

Although the monetary measures applied by the Government of Morocco in early 1966 were effective in conserving foreign exchange by curbing inflationary pressures and reducing non-essential imports, Morocco's poor agricultural yield required the expenditure of large amounts of foreign exchange for imports of food. The use of foreign exchange earnings for food imports is expected to continue to restrict imports of non-essential goods in 1967.

The non-agricultural sectors of the economy should, however, show a moderate rate of expansion in 1967 and will require larger imports of raw materials, and semi-finished and investment goods.

Internally, the Moroccan business outlook has become very optimistic in 1967 with the onset of early spring rains and the promise of a healthy agricultural performance. Although all major non-agricultural sectors of the economy experienced a moderate growth in output during the past year, the poor agricultural yield resulted in the gross national product remaining at approximately the 1965 level of $2.6 billion.

General economic stability prevailed during 1966, in conformity with the objectives of the Government's three-year (1965-68) Development Plan. The inflationary forces which arose in 1965 were brought under control by the temporary monetary restrictions applied early in 1966. Prices declined by approximately 2%, and non-essential imports also dropped in response to the restrictions.

The monetary restraints were lifted at the beginning of 1967.

Shift in imports

Structural changes in the economy are causing significant shifts in the composition of Morocco's imports. These changes have already influenced the pattern of Moroccan imports from the U.S. Beginning in 1965 there has been a significant increase in purchases of American industrial equipment and a sharp decline in imports of non-food consumer goods from the United States.

If commercial relations between the U.S. and Morocco quickly return to normal, U.S. exports to Morocco may reach a total of $65 million in 1967.

Reflecting the food support emphasis of the AID Program, agricultural products are the largest category of U.S. exports to Morocco. Other major categories are mining equipment, motor vehicles, electric power machinery and various other manufactures.

Changes in pattern

This overall pattern and composition of U.S. exports to Morocco should continue in 1967, but, within each category there should be a shift toward products for the expanding sectors of the Moroccan economy, particularly construction of tourist facilities and large scale agricultural development.

Other product areas that offer increased sales possibilities include: chemicals, pharmaceuticals, pesticides, disinfectants, fertilizers, and synthetic yarns and fabrics.

Moroccan tariffs are moderate and non-discriminatory. The Government of Morocco has recently undertaken measures to liberalize the import system.

Due to changes in Moroccan procedures for tabulating and reporting trade statistics, there are as yet no official Moroccan trade figures available for the full year 1966. In 1965, the last full year for which figures are available, Morocco imported $453 million and exported $430 million for a trade deficit of $23 million.

Moroccan imports for 1966 are estimated to have increased by approximately 8% over the prior year. Exports in 1966 are estimated to have expanded by approximately 2% over the 1965 level.

As a result of these trade movements, Morocco's 1966 trade deficit should be larger than that of the previous year.

Investment climate

The outlook for foreign investment in Morocco is good. In 1966 total private investment increased by 30% over the low level recorded in 1965.

Morocco's present Development Plan encourages domestic and foreign investment in key sectors of the economy, principally tourism and large scale agriculture.

Tourism and agriculture will continue to receive priority emphasis under the next Development Plan (1968-72).

In addition to the emphasis designed into its Development Plan, the Government of Morocco encourages foreign investments by offering new investors various guarantees, customs exemptions, financial assistance, and a stable tax rate for specified future periods.

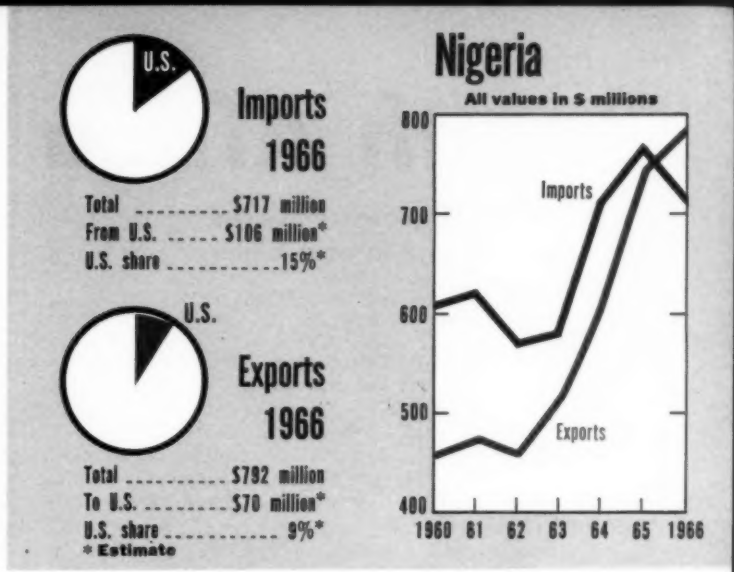
In addition, U.S. investors are able to utilize local currency (Cooley) funds generated by U.S. agricultural assistance to Morocco. Presently there are approximately $2 million of these funds available for low interest loans to U.S. investors.

CHIEF MOROCCAN IMPORTS FROM U.S.: wheat, wheat flour, oils and fats, raw cotton, cigarettes, soybean oil, motor vehicles, construction and mining equipment, gasoline. CHIEF MOROCCAN EXPORTS TO U.S.: manganese, sardines, pepper and pimento, zinc ore, fertilizer, natural phosphates, leather.

Nigeria

Eastern Region's secession disrupts economy; should cut trade substantially

By ANNETTE ROBINSON
Africa Division, BIC



The Nigerian political crisis, accentuated by the secession of the Eastern Region on May 30, has had a disruptive effect on the country's economy and is likely to reduce 1967 trade levels substantially. The extent of U.S. trade losses will depend on the duration of the crisis and the depth to which it develops.

The most serious disturbance in U.S. trade with Nigeria results from the Federal Government's blockade of Eastern ports (except for the movement of oil tankers), which is being observed by U.S. and most other shipping companies.

Since a large percentage of total U.S. exports to Nigeria consists of equipment for the oil industry, which is concentrated in the Eastern Region, about one-third of U.S. exports to the country are normally shipped to the East. As long as the blockade of Eastern ports is maintained, much of this trade stands to be lost.

Aside from trade losses with the East, some decline in U.S. shipments to the rest of Nigeria can be anticipated. This is particularly true in the field of capital goods, since investment decisions in both the public and private sector are being largely deferred due to the political uncertainty. An expected slackening of general business activity is also likely to affect trade in consumer goods.

Nigeria's gross national product for the fiscal year which ended March 31 is estimated at approximately $5 billion, representing a 4% growth rate, compared to a 7% rate for the previous year.

The 1966 value of output in agriculture and certain import substitute industries was higher than in 1965. However, activity in some sectors, notably transportation and distribution, either levelled off or declined. Unless the political situation improves, business declines in these and other sectors will contribute to a further slowing of the Nigerian economy during 1967.

The secession of the Eastern Region and the possibility of armed hostilities have produced some loss of confidence in the business community. The intermittent political disturbances throughout 1966 adversely affected the inflow of new capital in both private and official accounts because of a tendency to defer investment decisions.

Official capital receipts were estimated at about $86.8 million, compared with over $100 million in 1965. Net private capital inflow dropped from an estimated $170.8 million in 1965 to $154 million in 1966.

However, even in the absence of last year's political disturbances, there might have been some decline in foreign private capital inflow since many of the most obvious and readily available opportunities for the establishment of import competing industries existing at this stage of Nigeria's economic growth have already been grasped.

Slowdown continues

Since the political difficulties experienced by Nigeria have grown more acute, it is likely that the slowdown noted last year in public and private investment and in general business activity will continue through 1967. However, when confidence in a new political arrangement is established, the inflow of new investment capital could rise toward previous levels and the normal pace of business activity can be expected to resume.

Global exports of Nigerian goods in 1966 were valued at $792.4 million, compared to $737 million in 1965, representing a 6% rise. This improvement was almost entirely due to a 50% increase in exports of petroleum. Exports of agricultural products declined, largely because of transportation difficulties.

CHIEF NIGERIAN IMPORTS FROM U.S.: petroleum industry equipment, including steel pipes and tubes, heavy construction equipment, and wheat. CHIEF NIGERIAN EXPORTS TO U.S.: crude petroleum, tin, crude rubber, colombite and cocoa beans.

Imports for 1966 were valued at $716.8 million, compared to $770 million for the preceding year, representing a 7% decline. Some of the decrease in imports can be attributed to import substitution, particularly in textiles and refined petroleum products, and to a decline in overall demand stemming from the reduction in capital investment and the general political uncertainty.

Despite the developing crisis, U.S. exports to Nigeria for January-April of this year held their own. Sales are expected to falter later in the year, however.

U.S. exports to Nigeria, based on U.S. Bureau of the Census statistics, for the first four months of 1967 amounted to $27.7 million, compared to $27.3 million for the same period of 1966.

Iron and steel tubing and construction equipment for the petroleum industry will continue to offer sales opportunities in 1967. In addition, consumer durables such as air-conditioning and electrical household equipment are relatively promising sales areas.

U.S. imports from Nigeria for the first four months of 1967 were valued at $18.4 million, compared to $20 million for the same period in 1966.

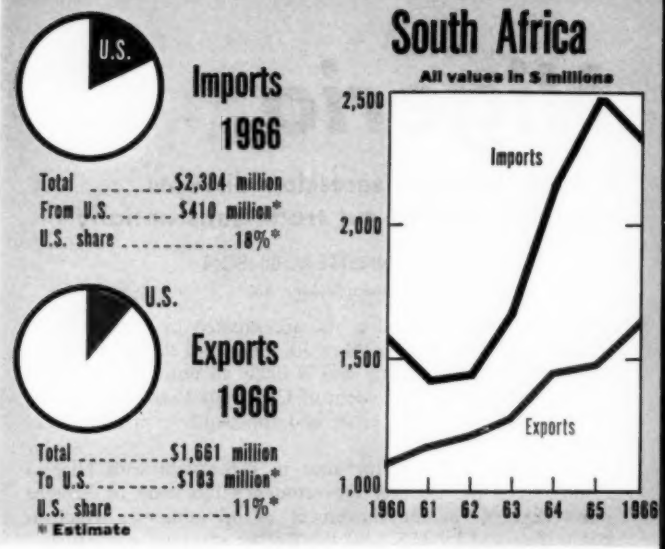
The U.S. share of the market for the first 11 months of 1966, based on provisional Nigerian statistics, increased to 14.4%, compared to 12% in 1965. Thus the U.S. retained its trading position second only to that of the United Kingdom, which accounted for 27.4% of the market in 1966.

The total of Nigeria's external assets had declined to $235.2 million at the end of December, about the value of four months' imports. Further declines are probable in 1967 unless the political situation improves.

South Africa

Relaxation of quotas expected to boost imports to new highs

By WILLIAM K. KRIST
Africa Division, BIC



South African imports promise to reach a new high this year if present trends are continued, surpassing previous import levels of $2.3 billion for 1966 and $2.4 billion for 1965. The U.S. share of this market is expected to hold approximately steady at the 18% rate of recent years, despite increasing competition from other suppliers and political disagreement with the United States over South Africa's policy of racial separation.

The basis for this outlook is the continued growth of the South African economy, coupled with the Government's present policy of containing inflationary pressures through a relaxation of import quotas.

Economic growth, which has proceeded at a rate of 5½% in recent years, succeeded in raising South Africa's gross national product (GNP) to an estimated $11.9 billion in 1966, and despite numerous anti-inflationary measures adopted by the Government, the outlook this year is for a real growth of 5%. This should serve to fuel South Africa's strong demand for imports of consumer goods, and will require the continued importation of capital goods and machinery.

Import quotas relaxed

Inflationary pressures have plagued the South African economic scene for most of the past year, as indicated by the fact that the seasonally adjusted consumer price index increased by 3.7% and the wholesale price index by 4.4% in 1966.

One of the primary tools adopted by the Government to control these pressures has been the progressive relaxation of import quotas, both in December 1966 and again this past May, in an effort to increase competition in the South African market, and to reduce the money supply through a decrease in holdings of gold and foreign exchange. These increased quota allocations, of course, should benefit U.S. exporters.

Other anti-inflationary measures adopted by the Government have included restriction of bank credit and the promulgation of a non-inflationary budget in March. These measures appear to be having some impact, as the supply of money and near-money, which increased by about 6% in 1966, dropped to $3,583 million in March 1967 from the December high of $3,701 million. More significantly, the wholesale price index dipped 0.4 points in January, the latest monthly figure available.

While the economy thus appears to be balanced between adjustment and stability on the one hand, and a potentially renewed inflationary upsurge on the other, it is unlikely that anti-inflationary measures will be abandoned, at least until late 1967.

Imports, valued at $2,304 million in 1966, declined by over 6% from the 1965 level, primarily because of tight import controls imposed during the early part of the year. South African data show imports from the U.S. worth $374.8 million in the first 11 months of 1966, or slightly less than 18% of the market for that period in 1966.

The pattern for 1967, however, should be quite different from that of 1966. For the first quarter of 1967 the level of imports increased by 32% over the comparable 1966 period, amounting to a total of $721 million. Imports of machinery and transport equipment showed a 38% increase; the two categories of manufactured goods combined also showed a healthy rise of 34%, and chemical imports increased by 37%.

According to U.S. statistics, U.S. exports to South Africa showed a 31% gain during the first four months of 1967 over the comparable 1966 period, with the largest increases in machinery and transport equipment (66%) and manufactured goods (28%).

CHIEF SOUTH AFRICAN IMPORTS FROM U.S.: machinery, transport equipment, chemicals, textiles, wheat, petroleum products, rice. CHIEF SOUTH AFRICAN EXPORTS TO U.S.: copper, diamonds, uranium, wool, shellfish, pig iron and ferroalloys, asbestos.

Policy on the allocation of quotas for capital goods imports is presently being reviewed pending completion of a study on inflation. According to the policy announced in connection with the May 17 relaxation of controls, capital goods may be freely imported to replace existing equipment, but prior permission is required if they are to be used for an expansion of existing plants or for new factories. It remains to be seen how tightly this policy will be interpreted and administered.

However, assuming no sudden reversal of South Africa's import control policy, the absolute level of U.S. exports to South Africa should increase substantially over the 1966 level of $400 million and will probably be considerably higher than the record level of $437 million achieved in 1965.

Best export bets

The best prospects for increased U.S. exports to South Africa in the capital goods area lie in those sectors of the economy expected to show the greatest amount of future capital formation. According to South Africa's most recent Economic Development Program (1966-71), this would be in the fields of mining, metal processing, manufacture of machinery, foodstuffs processing, and chemicals.

Specialized consumer goods also have promising export prospects in view of the recently increased quota allocations for these goods. South Africa offers a number of specialty shows for the display of such products (see listing in INTERNATIONAL COMMERCE, June 26).

Near East business picture still cloudy; trade continues

The business situation in the Near East remains unsettled, with the future course of U.S. trade with the area appearing largely to depend upon political decisions currently being shaped.

Despite reports to the contrary, there has been no firm news of any embargo imposed on U.S. products by the Arab countries, and business continues to be done. In Iraq, it is understood that the Iraqi Government is honoring outstanding import licenses for American goods but will not permit amendments to letters of credit.

U.S. trade with Israel seems to be about as usual, with no special problems being reported. As indicated in earlier reports, no new U.S. Government restrictions have been imposed on the shipment of non-military goods to the area.

Certification requirements for shipments of U.S. goods destined for the United Arab Republic and Iraq are being handled by the Embassy of India, 2107 Massachusetts Ave., N.W., Washington, D.C. 20008. Those pertaining to shipments to the Syrian Arab Republic are being cared for by the Consulate General of Pakistan, 12 East 65th St., New York, N.Y. 10021.

For shipments to the other four nations with which relations have been severed, Yemen, Sudan, Algeria, and Mauritania, certification of documents is not required.

On July 10 a further relaxation of U.S. travel restrictions was announced, when Lebanon was removed from the list of countries to which travel by U.S. citizens is restricted. For travel to the United Arab Republic, Algeria, Iraq, Jordan, Libya, the Sudan, Syria, and Yemen, U.S. citizens still require a passport specifically endorsed for such travel by the Department of State as being in the best interests of the United States. Business travel ordinarily is considered in this category. U.S. airlines now are understood to be serving all points in the area previously serviced, with the exception of Algiers and Cairo, although there have been changes in schedules.

The Suez Canal remains blocked by six to nine sunken ships and the most favorable estimates of the time needed to clear these vessels are one to two months after clearing operations begin.

U.S. SHARE OF IMPORTS INTO SELECTED COUNTRIES

Area and country	1965 Imports			1966 Imports January through latest month			
	From world (million dollars)	From U.S. (million dollars)	U.S. share %	Latest month	From world (million dollars)	From U.S. (million dollars)	U.S. share %
Latin America							
Bahamas	105	64	60.8	Dec.	116	(1)	(1)
Barbados	67	10	15.7	Dec.	75	14	18.7
Bermuda	59	28	47.0	Dec.	66	32	48.0
Bolivia	134	59	43.7	June	63	25	40.3
Dominican Republic	100	54	54.0	Aug.	117	52	44.3
Ecuador	171	70	41.2	Dec.	172	66	38.5
Guadeloupe	85	6	7.5	Dec.	93	6	6.5
Guyana	104	26	24.5	Dec.	118	27	22.8
Jamaica	294	91	31.0	Dec.	321	116	36.2
Martinique	91	7	7.4	Dec.	93	6	7.0
Netherlands Antilles	745	78	10.4	June	371	32	8.7
Paraguay	55	10	18.8	Dec.	58	10	17.4
Surinam	95	44	46.6	Nov.	82	(1)	(1)
Trinidad and Tobago	475	80	16.9	Dec.	457	65	14.1
Uruguay	151	20	13.6	Dec.	164	20	11.9
Western Europe							
Iceland	137	18	12.9	Dec.	159	22	13.6
Ireland	1,041	84	8.0	Dec.	1,043	98	9.4
Malta	98	2	2.4	Sept.	79	3	4.2
Portugal	924	75	8.1	Dec.	1,012	79	7.8
Far East							
Cambodia	103	3	3.0	Oct.	96	2	2.6
New Caledonia	76	4	5.5	Dec.	67	3	4.5
Viet-Nam, Republic of	357	162	45.3	June	198	79	39.8
Near East-South Asia							
Burma	247	17	6.7	Dec.	157	(1)	(1)
Ceylon	310	12	3.8	Dec.	426	17	3.9
Cyprus	144	5	3.2	Dec.	154	7	4.7
Iraq	449	53	11.8	Nov.	456	46	10.0
Israel	838	214	25.5	Dec.	840	222	26.4
Jordan	157	23	15.0	Dec.	187	29	15.7
Kuwait [2]	377	77	20.4	Dec.	463	97	21.0
Lebanon	485	59	12.2	(1)	(1)	(1)	(1)
South Arabia, Fed. of (Aden)	301	5	1.8	Sept.	220	4	1.6
Syria	213	15	6.8	Dec.	294	23	7.8
U.A.R. (Egypt)	934	189	20.2	Dec.	1,070	212	19.8
Africa							
Angola	195	15	7.9	Dec.	209	17	8.4
Cameroon [3]	134	8	6.0	June	72	3	4.7
Congo (Brazzaville)	68	4	5.8	Sept.	53	3	4.8
Gabon	62	7	11.7	Nov.	59	7	11.1
Ghana	450	39	8.7	Dec.	352	59	16.8
Libya	320	55	17.1	Dec.	405	51	12.6
Malagasy	138	6	4.4	Dec.	142	9	6.4
Mauritius	76	3	3.5	Dec.	69	2	2.3
Mozambique	173	7	4.1	Aug.	137	11	8.0
Reunion	97	1	0.7	Dec.	105	1	0.8
Rhodesia	378	26	6.8	Dec.	266	(1)	(1)
Senegal	164	7	4.1	Sept.	116	5	4.3
Sierra Leone	108	15	14.3	Dec.	100	6	6.3
Sudan	208	14	6.5	Sept.	162	10	6.2
Tunisia	246	40	16.2	Dec.	250	41	16.4
Zambia	332	21	6.2	Dec.	388	(1)	(1)

Note: In order to present comparable statistics for all countries, import data have been adjusted from an f.o.b. to a c.i.f. valuation for Dominican Republic, Netherlands Antilles, Rhodesia, and Zambia.
[1] Not available. [2] Excludes oil company imports. [3] Data refer to East Cameroon only.

World Bank loan to aid Colombia farm production

A $9 million World Bank loan will assist in financing a project for the development of agricultural production in the Department of Atlantico in northern Colombia. The project involves irrigation and flood control works for 24,500 acres and is the first stage of a program to irrigate a substantially larger area in the same vicinity.

The loan will be made to a government agency, Instituto Colombiano de la Reforma Agraria (INCORA).

Since the Atlantico project is technically complicated and requires a high degree of experience and skill not now available in Colombia, INCORA will engage consultants for the planning, operation and management of the project throughout the construction period and for at least five years thereafter.

Total estimated investment cost of the project amounts to the equivalent of $15.7 million. The Bank loan will provide 57% of the total and will cover the presently estimated foreign exchange costs of the civil works, the purchase of machinery, equipment and materials, the fees of foreign consultants, and the foreign cost of training Colombian technicians abroad. The remaining costs, amounting to the equivalent of about $6.7 million, will be met by Government budgetary contributions to INCORA. International bidding will be held for awarding contracts.

Venezuelan airline to buy U.S. jets

Venezuela's international airline, Venezolana Internacional de Aviacion, S.A., will purchase two DC-8-63 jet aircraft with related spare parts and equipment at a total price of $23.5 million.

The McDonnell Douglas Corp. of St. Louis, Missouri, will supply the jets, with a capacity of about 250 passengers each. The planes are scheduled to be delivered in November 1968 and May 1969, and will be used on New York and European flights by the Venezuelan airline.

The Export-Import Bank has authorized a $18.8 million Alliance for Progress loan to assist in financing the purchase. The U.S. supplier will also participate in the loan.

Conversion values of European currencies

By PAUL A. MAYER

Bureau of International Commerce

The accompanying table shows the value of the dollar in terms of principal European currencies and, conversely, the value of these European currencies in terms of dollars as well as in terms of all other European currencies listed.

The table can be used "both ways"—to show not only the amount of foreign currency that can be bought for one dollar, but also the amount of dollars which can be bought for one unit (or multiples of one unit) of a given European currency. For example, line 1 (United States) shows that $1 buys 7 shillings and 2 pence, and line 7 (Great Britain) that £ 1 buys $2.80.

Readers interested in transactions between, say, the United States, France and Germany, will find the following pertinent data: 1 U.S. dollar buys 4.90 French francs or 4 Deutschmark (line 1); 100 French francs buy $20.40 or 81.50 Deutschmark (line 5); 100 Deutschmark buys $25 or 122.50 French francs (line six).

The table, which is current as of mid-1967, is to serve merely as a rough desk tool. For close financial calculation, up-to-the-minute information should be obtained from banks or other financial institutions specializing in foreign exchange.

Country	Currency units	Value in	$	S	Bfrs	Dkr	Ffrs	DM	£ sh d	Lire	Hfl	Nkr	Esc	Pts	Skr	Sfrs
United States	Dollars	$..... 1	**	25.30	50.00	6.90	4.90	4.00	–. 7.2	625	3.60	7.15	28.50	60	5.17	4.32
Austria	Schillings	S..... 100	3.95	**	197.50	27.25	19.35	15.80	1. 8.2	2,470	14.25	28.25	113.00	237	20.40	17.05
Belgium	Belgian francs[1]	Bfrs..... 100	2.00	50.00	**	13.90	9.80	8.00	–.14.3	1,250	7.20	14.35	57.50	120	10.30	8.65
Denmark	Danish kroner	Dkr..... 100	14.50	366.00	723.00	**	80.00	58.00	5. 3.–	9,035	52.20	103.35	412.00	870	75.00	62.50
France	French francs	Ffrs..... 100	20.40	516.00	1,020.00	141.00	**	81.50	7. 5.6	12,730	73.55	145.70	580.50	1,225	105.50	88.00
Germany	Deutschmark	DM..... 100	25.00	633.00	1,250.00	173.00	122.50	**	8.18.9	15,625	90.00	179.00	712.50	1,500	129.25	108.00
Great Britain	Pounds[2]	£..... 1.–.–	2.80	80.00	140.00	19.30	13.70	11.20	**	1,750	10.10	20.00	80.00	168	14.45	12.10
Italy	Lire	Lire..... 1,000	1.60	40.50	80.00	11.00	7.85	6.40	–.11.5	**	5.75	11.45	45.60	96	8.27	6.90
Netherlands	Holl. florins	Hfl..... 100	27.70	701.50	1,385.00	191.00	136.00	110.25	9.18.–	17,320	**	198.30	792.00	1,660	143.00	120.00
Norway	Norw. kroner	Nkr..... 100	14.00	354.00	700.00	96.50	68.50	56.00	5. –.–	8,750	50.40	**	400.00	840	72.25	60.50
Portugal	Escudos	Esc..... 100	3.50	88.60	175.00	24.20	17.20	14.00	1. 5.–	2,200	12.65	25.00	**	210	18.15	15.15
Spain	Pesetas	Pts..... 100	1.68	42.55	84.00	11.60	8.25	6.70	–.12.–	1,050	6.05	12.00	48.00	**	8.70	7.25
Sweden	Swedish kroner	Skr..... 100	19.35	490.00	967.00	133.33	94.80	77.00	6.18.3	12,100	70.00	138.30	551.00	1,160	**	83.50
Switzerland	Swiss francs[3]	Sfrs..... 100	23.20	586.50	1,158.00	160.00	113.50	92.20	8. 5.6	14,475	83.50	165.50	660.00	1,390	119.75	**

[1] Used also in Luxembourg. [2] Used also in Ireland. [3] Used also in Liechtenstein.

DEVELOPMENT ROW, consisting of top officers of the Western Hemisphere's economic organizations, listens to Chilean President Eduardo Frei (lower left) address the IA-ECOSOC meeting. To his left, along the front row, are: Carlos Quintana, Executive Secretary of the U.N.'s Economic Commission for Latin America; Dr. Walter J. Sedwitz, the OAS's Asst. Secretary for Economic and Social Affairs; Gabriel Valdes, Chile's Foreign Minister; David Samudio, past president of IA-ECOSOC; Domingo Santa Maria, Chilean Minister of Economy; Dr. Jose Mora, Secretary General of the OAS; Carlos Sanz de Santamaria, Chairman of CIAP; and, Felipe Herrera, President of the Inter-American Development Bank.

Inter-American community takes first step toward Common Market

Conference in Chile considers means for implementing goals set by Summit Meeting's Declaration of Presidents

Seeds planted at the Latin American Summit in April are sending up shoots.

A high-level unit has been charged to make recommendations on actions that the Western Hemisphere nations can take to make deep cuts in tariffs and other restrictions affecting Latin American trade in world markets. Quick action was sought on one special problem, that of banana exports. An export promotion center for the developing nations of the Americas has been placed on the drawing board. Discussions have begun on economic integration, with meetings scheduled for September.

This happened at the fifth annual meeting of the Inter-American Economic and Social Council at Vina del Mar, Chile, ending June 26. The group charged with making the recommendations on trade and integration is the Inter-American Committee on the Alliance for Progress (CIAP).

The 21 Hemisphere countries agreed at Vina del Mar to back a general non-reciprocal, non-discriminatory system of preferences for exports of manufactures and semi-manufactures from the various developing nations. They also agreed to consult closely with each other on eliminating preferential arrangements that discriminate against Latin American exports.

CIAP was instructed to convoke, within 30 days, an ad hoc group of representatives of the region's banana-producing countries to study the problems related to banana exports, to suggest a joint action plan for the prompt elimination of discriminatory treatment affecting banana exports, and to coordinate positions with the EEC and the FAO Banana Study Group.

At the request of the developing country or countries of the Inter-American System that feel affected by a presumed violation of the international standstill commitments, CIAP will serve as a forum of consultation, with a view to finding a satisfactory solution for the interested parties.

Basically, the standstill agreements refer to general acceptances to refrain from introducing or increasing tariff and non-tariff barriers that affect exports of the developing countries, within the limitations of national self-interest.

CIAP will study existing international systems to determine damages that may be caused by such violations, and make recommendations to the next IA-ECOSOC meeting as to whether they should be strengthened, and the need for and feasibility of creating new arrangements for such purposes.

Export promotion center

The meeting also agreed to establish an Inter-American Export Promotion Center to provide the developing countries of the region with the specialized services needed to determine and make use of new lines of export, to further develop the placement of Latin American products in international markets and to improve national and regional agencies. The agency will have the following functions:

► to provide information within the region on all factors that affect the international marketing of export commodities;

► to provide importers, exporters and national promotion agencies of the area

WORKING SESSION OF CONFERENCE shows delegates drawing up recommendations for means of forming a Latin American Common Market. U.S. representative is David Bronheim, Deputy U.S. Coordinator of the Alliance for Progress (seated fourth from right, looking down at papers).

with information needed to step up the expansion of trade within Latin America;

► to disseminate the findings of its studies, as well as the results of experience gained through technical assistance, and, in general, any information that may be of interest for the promotion of the area's exports;

► to carry out international studies and to analyze this research;

► to provide technical assistance for the establishment and administration of national or multinational export promotion agencies and the strengthening of private-sector efforts in this field;

► to train personnel specializing in international marketing, and

► to organize national or multinational export promotion campaigns within the region and outside.

The General Secretariat of the IA-ECOSOC will draft statutes for the establishment of the Inter-American Export Promotion Center. This draft will be submitted to a group of government experts of the OAS member countries, and must subsequently be approved by the IA-ECOSOC. This process should be accomplished within six months.

CIAP will convene a meeting of government representatives of the member countries of LAFTA and CACM, representatives of the Latin American countries that do not belong to either of these integration systems, and a United States observer to study the financial implications of the process of regional economic integration. The government representatives will suggest courses of action and formulate specific recommendations on the following points:

► financial implications; evaluation of needs and supplementary sources of external funds; criteria for application; and methods of administering resources and determining priorities

► establishment of a fund or other financial mechanism to meet the requirements of integration

► establishment of formulas for Latin American economic and financial cooperation, with a view to the mobilization of larger amounts of national resources to be used in financing regional integration; and

► special financing needs that will arise for Latin American business in the course of integration, so as to ensure its adequate capacity to participate intensively in the investment opportunities opened by the process.

The first stage of the meeting will be held in Rio de Janeiro next September to determine a schedule of activities that will enable the meeting to conclude its work and present a report to the governments prior to the Sixth Annual Meetings of the IA-ECOSOC.

Until this work is completed, it is suggested that the Inter-American Development Bank and other Alliance for Progress agencies, in programming the allocation of funds for integration, try to heed the orientation and priorities decided upon for their systems by the directing bodies of the Latin American Free Trade Association and the Central American Common Market.

With respect to the preparatory studies and work involved in converting LAFTA into a common market, and meeting the needs of CACM, working groups will be formed to determine what funds will be available to carry out the various programs needed to fulfill these objectives.

The United States is giving LAFTA a computer to carry out this work.

To provide a solution for problems arising during the period of transition of LAFTA and CACM to a Latin American Common Market, the participants agreed that financial and technical resources should be mobilized to help solve the problems of balance of payments, industrial adaptation, and reorientation of manpower that may arise during this period of transition. This would also apply to difficulties that may arise in the operation of subregional agreements entered into as steps in the transition to a Latin American Common Market.

The U.S. delegation made clear, however, that its agreement did not represent a commitment of U.S. support beyond that expressed by President Johnson on April 13: "If Latin America decides to create a common market, I shall recommend a substantial contribution to a fund that will help ease the transition into an integrated regional economy."

This statement conditions support in the form of contributions to an integration adjustment upon new steps taken toward the establishment of the Latin American Common Market. At the same time, the U.S. delegation indicated that the United States would be prepared to consider requests for assistance to integration from its existing aid program.

Transportation

With respect to the establishment of multinational airlines and programs in the field of maritime transport, the meeting recommended to the governments of the Inter-American System that they study the possibility of giving multinational regional air transport companies at least equal treatment as that applied to the airline of each country. At least one of the states involved in the multinational enterprise will be a member of the International Civil Aviation Organization.

The U.S. delegation spoke in favor of the concept of multinational airlines, but

pointed out that the principle of "most favored nation" is limited to trade. Thus, the access of foreign airlines to the United States is based on bilateral aviation agreements that reflect reciprocal treatment in the particular situation.

Nevertheless, it fully supported the idea that a multinational airline should be treated the same as a national airline.

The Conference agreed to adopt studies initiated by the OAS/ECLA Transport Program on the level and structure of maritime freight rates, to the principles, regulations, and objectives contained in the LAFTA Declaration on Water Transport Policy and in the Convention of Water Transport.

The U.S. delegation reserved on this point, pointing out that it was sympathetic to the aim of the Latin American countries in seeking to promote their merchant marines, but found it necessary to reserve its position because it believed that some of the features of the LAFTA Water Transport Agreement would not promote such development in an efficient way.

In particular, the United States delegation considered undesirable the provision for cargo reservation and the provision on mandatory conference memberships and felt that this could only lead to higher freight costs.

The conference instructed CIAP to suggest forms of coordinated action that the member countries can take in multilateral negotiations to achieve the elimination, or as great a reduction as possible, of customs duties and other restrictions that affect Latin American products.

Central American business school gets Harvard help

Ground for a permanent, autonomous center of teaching and research in business administration in Central America was broken in Managua, Nicaragua, on July 1.

The Harvard Business School will serve as academic advisor to the center, and has agreed to supply up to half of its initial six-man faculty.

Known as the Central American Institute of Business Administration, it will be the first permanent educational facility designed to promote the regional economy to come into being since the Central American Common Market (CACM) came into existence with the express aim of integrating the economies of the five Central American nations and Panama. The first class is scheduled to begin the Institute's two-year graduate program next January.

Five Andean nations agree to form sub-regional economic grouping

Unit will liberalize trade among Colombia, Venezuela, Peru, Chile and Ecuador; prepare their economies for common market

As concrete evidence that the "Spirit of Punta del Este" is taking hold in the hemisphere, five Andean nations have banded together in a subregional group to liberalize trade among themselves and to reach an economic level more conducive to participation in the proposed Latin American Common Market.

On June 23, representatives of Chile, Colombia, Venezuela, Peru and Ecuador signed an agreement in Vina del Mar, Chile, creating the Andean Development Corporation. This will be the first group of its kind within LAFTA. The seeds for such a subregional group had been sown last August when these same five nations endorsed the Declaration of Bogota, calling for an acceleration of regional integration measures.

Although intra-LAFTA trade has more than doubled since the organization's establishment in 1960, and regional tariffs on negotiated items have been reduced to about one half the level applicable to imports from outside countries, progress has been slowing down recently.

The principle of the complementation agreement, believed by many to be the most promising instrument for integrating industrial sectors within LAFTA, has been seldom utilized.

In theory, complementation eases regional industry development by enabling any two or more member countries to establish ultimately free trade in specific products and, if they so desire, to create mutual external tariffs against third-country imports. In practice, however, only four complementation agreements have been put into effect, none of them in key areas.

An agreement has been reached between Argentina, Brazil, Chile and Uruguay on data-processing machines and equipment; another between Argentina, Brazil, Chile, Mexico and Uruguay on electron receiving tubes and parts; a third between Brazil and Uruguay for household electrical appliances; and a fourth, also between Brazil and Uruguay, for certain electronic and communications equipment.

Twenty-four other agreements have been proposed, but have not been acted upon.

The Bogota Declaration of almost a year ago gave a strong indication of the intent of the countries involved to push forward in pursuit of trade liberalization and integration of vital industrial areas. Already, negotiations have been held between Chile, Colombia and Venezuela for integration in the petrochemical, automotive and steel industries, and the extension of any agreements these three may reach to Peru and Ecuador is under discussion.

Colombia and Venezuela are considering the establishment of a common merchant marine, and bi-national electric power connections, gas pipelines, and telecommunications companies.

The discussions at Vina del Mar brought reexamination and reaffirmation of these pursuits. Measures were adopted to increase reciprocal trade among the five, and arrangements made to begin work immediately on projects and organizational and promotional work. The group will form its own secretariat, and funds for multinational investments within the area will be provided by each of the participating countries.

The operations of the Andean common market will try to increase the members' competitive strength in world markets, as well as to bring the economic development of these five nations more into line with that of Mexico, Brazil and Argentina—an encouraging first step towards the continental common market foreseen by the Declaration of the American Presidents at Punta del Este.

Panama restricts imports of aluminum door profiles

Effective June 1, the Price Control Administration of Panama restricted imports of aluminum profiles for use in the manufacture of doors, windows and sidings to a quantity of not more than 30% of average imports in 1963 and 1964. In a separate resolution, effective from June 8, imports of corrugated aluminum roofing sheets were limited to 20% of the average imports in 1963/64.

Japanese Government discloses investment liberalization program

Immediate measures include token liberalizing steps in fifty industries; periodic review of further actions promised

The Japanese Cabinet has adopted a foreign capital liberalization program which stipulates the complete or partial removal of restrictions on foreign direct investment in a total of 50 industries. The Cabinet action of June 6 went into effect July 1.

At the same time, the Cabinet statement setting forth the program indicated that the Government aims at liberalizing equity investment in a "considerable number" of industries by March 1972, "barring sudden and radical changes in international and domestic circumstances".

The program contains a request that foreign firms planning to invest in Japan abide by Japanese practices and refrain from any behavior inimical to the interests of the Japanese economy. Ten points are spelled out, including: to cooperate with Japanese enterprises in their efforts to "maintain order" in the particular Japanese industry; not to exert unreasonable pressure on small enterprises; and to refrain from "unfair competition".

Under the program industry is divided into a liberalized category and a non-liberalized category.

The former is further divided into Class 1 that permits foreign ownership up to and including 50%, in which the initial listing consists of 33 industries; and Class 2 that permits foreign ownership up to and including 100%, in which 17 industries are listed.

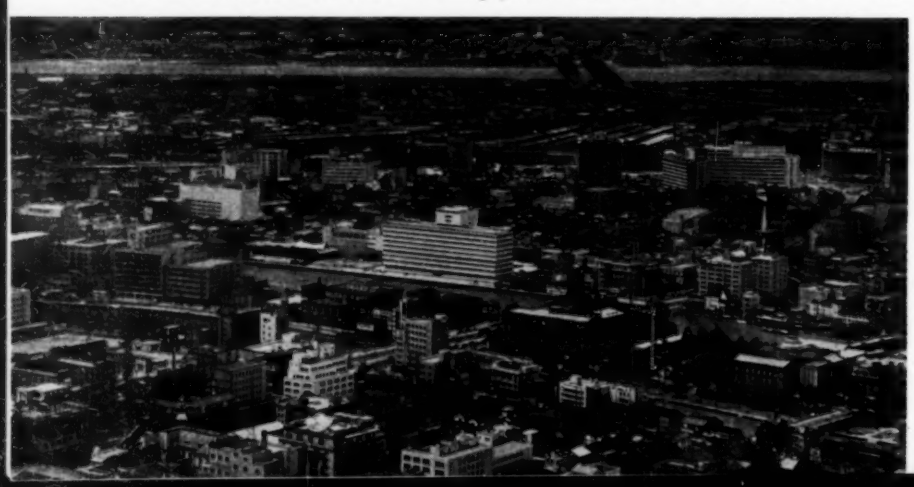
For the non-liberalized category, which still includes the great bulk of existing industries, requests from foreign firms or individuals to invest in Japan will continue to be treated on a case-by-case basis.

Although the program refers to an "automatic approval" system for the liberalized industries, there is no automatic approval in the sense of a complete absence of Government involvement in the investment process. For the liberalized category, applications will still continue to be screened, and one criterion to be used is that the proposed investment "is not particularly harmful to Japanese interests". All applications, however, are to be processed more rapidly than has been the case in the past.

The program applies only to new direct investment, and thus does not cover investment in existing enterprises. Technical licensing agreements are also not included, although a liberalization program for these apparently will be announced at a later date.

The Cabinet statement makes reference to the report of June 2 submitted to it, after months of study, by the Foreign Investment Council, and notes that the Government "has decided to respect the substance of the report entirely". The overall guidelines of the program thus consist of both the policy statement of the Cabinet and the report of the Council.

JAPANESE METROPOLIS OF OSAKA is among potential sites for direct investment from abroad.



The Cabinet statement refers to Japan's membership in OECD (the Organization for Economic Cooperation and Development) in 1964, and to the fact that it joined that organization in "the interest of the long-range development" of Japan's economy. Since that time, the statement indicates, Japan's and the world's economy have expanded, and the standard of living of the Japanese people has improved. Thus Japan is now at the stage where it must tackle the matter of capital liberalization positively, "as a problem we must deal with on our own," and for the further "long range development of our own economy".

Technology gap cited

It is also noted that a considerable gap exists between the strength of many Japanese industries and their foreign counterparts. Reference is made to Japan's relative inferiority in technological development, capacity for developing markets, and capital strength. For these reasons, the Government states that it is difficult to foresee a "notable increase" in the number of industries moved into Class 2 (the 100% category).

The same assertion about disparities in relative strength is applied to the 50% (Class 1) group. Moreover, it is noted that the number of industries in this category is to be increased on the "principle of real equality and subsequent co-existence and co-prosperity". It is also stated that because of the relative weakness of Japanese industry, such mutuality principles are unlikely to be achieved if 50-50 ventures are approved merely on the basis of a "nominal equality in terms of shareholding percentage".

The statement emphasizes various measures which must be undertaken by the Government and by private industry in order to increase the competitive strength of Japanese industry, and adds that "the measures for liberalization should be reviewed after a lapse of every one or two years [with a view toward] further liberalization while taking into consideration the results of these private efforts and Government measures".

In addition, the Government will apply a number of "countermeasures" to foreign capital with the object of preventing "confusion" in the Japanese market, and it will also plug "loopholes" in existing foreign investment regulations.

In the past, as a general rule the Japanese Government has not approved joint ventures in manufacturing in which foreign ownership of the equity holding or

foreign management participation has exceeded 50%, and even a 50-50 joint venture has been difficult to achieve. In the non-manufacturing area, this rule has been less stringently applied.

Aside from the token liberalization of 50 industries, therefore, the new Japanese program is more a declaration of intent rather than an announcement of a significant departure from past practices. But the program does indicate that capital liberalization is now an official goal of the Japanese Government, even though by 1972 foreign majority ownership in most industries apparently will still be precluded.

Finally, the program includes one unqualified step toward liberalization which had long been expected, relating to the right of foreigners to purchase freely Japanese stocks that do not carry with them the right to participation in management. An individual foreign investor may now own 7% of the shares of a company (up from 5%); and foreign investors as a group may own 20% of the total stock in "unspecified" industries (increased from 15%) and 15% in "specified" industries (up from 10%). Specified industries include transportation, utilities, shipbuilding, banking, trust companies, freight express, broadcasting, fishing, and mining.

The listing of industries in which direct equity investment has been liberalized is given below:

Japanese investment liberalization program

Class 1: Industrial Categories to be Liberalized 50%

Ministry in Charge	Industrial Categories	Remarks
Health and Welfare Ministry	Restaurant service	Limited to cases in which the capital is more than Y50 million
	Laundry service	Limited to linen supply service
	Medical and pharmaceutical products	Exclusive of enterprises manufacturing pharmaceutical products for animals and biological agents such as vaccine and serum
Agriculture-Forestry Ministry	Canned marine foods	Inclusive of foods preserved in bottles and jars
	Soup	
	Medical and pharmaceutical products for animals	Exclusive of those manufacturing biological agents, such as vaccine and serum
	Agricultural chemicals	
International Trade and Industry Ministry	Electrical machines and appliances for home use	Exclusive of those involving products using electronic ranges, air conditioners and batteries
	Radio or television receivers	Exclusive of color television receivers, those involving products using integrated circuits, and those manufacturing by themselves braun tubes, semiconductors, coils, transformers, resistors or condensers
	Magnetic tape recorders and electric phonographs	Exclusive of manufacturers of cartridge-type recorders and recorders with integrated circuits, and makers of semiconductors, coils, transformers, resistors or condensers
	Telephone receivers and telephone switchboards	Limited to magnetic, common-battery or dial system telephone receivers and switchboards which do not use electronics
	Radio vacuum tube	
	Cameras, parts and accessories	Excluding exposure meter and lens
	Timepieces and parts	Limited to watches
	Ammoniacal fertilizers; caustic soda; Vinyl chloride; printing ink; Sheet glass; Refractory brick; Spinning of carded wool; Acetate; Synthetic fibers; Phonograph records; Titanium refining; Cobalt refining; Rolling of titanium and its alloy	
Transport Ministry	Large-sized ships	Limited to shipbuilders with building docks for over 200,000-DWT vessels
	Ship engines; Rolling stock; Warehousing	
Construction Ministry	Construction consulting	
	Construction design and control	

Class 2: Industrial Categories to be Liberalized 100%

Finance Ministry	Beer	
Agriculture-Forestry Ministry	Monosodium glutamate	
	Ice; Silk yarn	
International Trade and Industry Ministry	Ordinary steel	Limited to those makers who produce iron, process it into steel and roll the steel
	Forged steel	Exclusive of those manufacturers which produce forged steel out of semiforged steel
	Motorcycles; Carbide; Cement; Cotton or staple fibers spinning	Limited to those makers using the same kind of spinning equipment as in cotton or staple fiber spinning industries
	Chemical fiber spinning	
	Rayon; Pianos; Organs	
Transport Ministry	Shipbuilding	Excluding shipbuilders specializing in large-sized ships
	Tourist business	
	Hotels for foreign tourists	

More investment offers listed by U.S. trade mission to Turkey

Third group of Turkish proposals comes from Adana area; firms there seek U.S. participation in ventures, licensing

A number of proposals, initiated by the recent U.S. Trade and Development Mission to Turkey, indicate a continuing interest by Turkish businessmen in obtaining U.S. participation in joint ventures and licensing projects.

This is the third listing of Turkish proposals. The first listing, with 64 proposals, was reported in INTERNATIONAL COMMERCE, June 19, pages 32-36. The second listing, with 66 proposals, can be referred to in INTERNATIONAL COMMERCE, July 3, pages 22-26.

The 15 diverse opportunities submitted from the Adana area include joint ventures to package orange juice, produce deep well pumps and manufacture quality control equipment for the textile industry. Licenses are sought to produce cotton planting machinery and margarine.

To permit quick reference by U.S. companies, proposals are listed in numerical sequence by Standard Industrial Classification number. Firms interested in following up one or more of these opportunities are requested to show the Interview Report (IR) number on any correspondence with a foreign firm or with the Bureau of International Commerce. The identifying number is listed immediately after the address of the address of the foreign firm.

2033 Fruit, vegetable canning and freezing

A manufacturer of heavy clay products seeks a joint venture to can and freeze citrus fruits and vegetables. Capital investment by a U.S. investor is not required.

Established in 1953 and employing 200 persons, the Adana firm plans to distribute the product in Turkey and export to Middle East and Common Market countries.

Write: Kil-Toprak Ltd., P. O. B. 202, Adana, Turkey. IR-0163-X. WTD.

A grower, wholesaler and exporter of oranges, lemons and grapefruit seeks a joint venture to produce canned or bottled orange juice and concentrate. The firm wants to establish a bottling plant and use the by-products for animal feed.

The company reportedly produces 20,000 tons of fruit annually. It was started in 1963, has about 13 employees.

Write: Mahdut Mesuliyetli Menas Cooperation, Uray Caddesi 88, Mersin, Turkey. IR-0158-X. WTD.

2042 Livestock feed

A joint venture to develop by-products from cottonseed hulls is sought by this manufacturer of cottonseed oil, soap, and margarine. Technical assistance and capital investment are asked of the U.S. investor. The Adana firm states that it will contribute 50% of the required capital.

The residual hulls resulting from the company's operations reportedly contain 1½% oil and some protein. They are currently being used for animal feed in Turkey and Lebanon and burned as fuel in plants.

The company employs about 160 persons and was established in 1963.

Write: Karatas Yagcilik Ltd., P.K. 151, Adana, Turkey. IR-0159-X. WTD.

2096 Margarine

A producer of margarine and refined cottonseed oil seeks a joint venture or license to manufacture, package, and market a better quality margarine. The firm is particularly interested in the new process of making whipped margarine packed in plastic tubs.

The company is considering a test marketing program for the product in the Istanbul area. The Adana concern plans to introduce this new margarine on the domestic market and export it to Middle East and Common Market countries.

The firm was established in 1923 and employs about 380 persons.

Write: Toroslar Ticaret T.A.S., Doseme Mahallesi, Adana, Turkey. IR-0162-X. WTD.

3011 Tires

A holding company with a present book value of approximately $5 million seeks joint venture arrangements for several projects. The Adana company can contribute any percent of the required capital for these projects. A brewery, tire manufacturing facility, expansion of an asbestos and cement plant and the production of base materials for polyesters are the enterprises in which the Adana company has expressed an interest.

The reportedly well managed Adana company is said to hold majority interest in a large bank, textile mill, hotel and cement factory.

Write: Haci Omer Holding Co., P.O.B. 371, Adana, Turkey. IR-0263-X. WTD.

3433 Heating equipment
3585 Refrigeration equipment

A producer and importer of industrial and residential air conditioning, refrigeration, and heating systems is interested in a joint venture to increase production. The Adana firm seeks technical know-how and an undetermined amount of capital to produce evaporators, condensors, oil burners, blowers and other refrigeration and heating components.

The company was established in 1956 and has about 39 employees. Annual sales are reported to be in excess of $100,000.

Write: Ahmet Yazicioglu Muessesesi. IR-0176-X. WTD.

3433 Heaters
3522 Planting and spraying machines

A manufacturer of furnaces, pressure vessels and prefabricated pipes seeks a license to manufacture planting and spraying machinery for cotton, and L.P.G. heaters. The firm currently represents British and German firms.

Write: Termo-Teknik, Abidin Pasa Caddesi No. 47 P.K. 331, Adana, Turkey. IR-0267-T. WTD.

3443 Heat exchangers and converters

A boiler manufacturer is interested in a joint venture to produce heat exchangers and converters for use in refineries and textile mills. It would also be interested in a project to manufacture special flanges. The Adana concern also fabricates and erects steel furnaces and installs plumbing fixtures.

The U.S. investor is asked to supply technical know-how and an undetermined amount of capital.

The Turkish firm was established in 1961 and employs about 40 persons.

Write: Termo Teknik, Abidin Pasa Cad. No. 47, Adana, Turkey. IR-0182-X. WTD.

3519 Deisel engines

A manufacturer of deisel and gasoline engines is interested in a joint venture or licensing arrangement. The Adana company seeks to produce deisel and gasoline engines of 6 to 36 hp. and such agricultural equipment as tractors, feeders, and harvestors.

Established in 1952 and currently employing about 92 persons, this concern also purchases engines through an Istanbul distributor. The Adana company is interested in a direct purchase arrangement for engines with a U.S. firm.

Write: Ozhas Demir Kollektif Sirketi, Abidin Pasa Caddesi No. 189, Adana, Turkey. IR-0161-T. WTD.

3522 Agricultural equipment

A manufacturer of such agricultural equipment as cultivators, seeders and fertilizers seeks to expand production through a joint venture arrangement. A U.S. firm is asked to provide technical know-how and modern equipment to facilitate high speed mass production.

Established in 1941 with two persons, the Adana company currently employs 80. It has 37 distributors throughout Turkey. Reportedly, production cannot keep pace with present orders and the Adana concern is constructing a new and larger plant.

Write: Sitki Tuncel, Altinova Ziraat Alet

ve Makina, Imalati LMT. Sirketi, Adana, Turkey. IR-0184-X. WTD.

3522 Agricultural equipment

An Adana manufacturer of agricultural machinery seeks a joint venture to produce new types of equipment for use in cotton and wheat farming. The firm is interested in an investment of around $220,000 in return for equity in the enterprise.

The company was founded in 1941 and currently employs about 112 persons.

Write: Cetinel Sanayii Koll. St., Devlet Hastanesi Karsis, Adana, Turkey. IR-0157-X. WTD.

3552 Textile quality control equipment

A textile manufacturer seeks to contact a U.S. manufacturer of quality control equipment for use in the textile industry. The Adana company is interested in such inspection equipment as infra-red scanners and dye testers. It also needs equipment for testing dye ability of yarn, melting point, finish and brightness of loomed polyester fiber.

The company was established in 1956 and employs about 4,000 persons.

Write: Bossa Textile Mill. P. K. 129, Adana, Turkey. IR-0160-T. WTD.

3561 Deep well pumps

A producer of centrifugal pumps wants a joint venture to expand its product line, particularly in the area of deep well pumps. Sought of a U.S. investor is technical know-how.

Established in 1913, the company has 30 employees and a net worth of approximately $175,000.

Write: Namik Yarman Evlatlari Kollektif Sirketi, Yagcami Civari 3, Adana, Turkey. IR-0177-X. WTD.

7011 Hotel construction

A wholesaler and retailer of butane gas and appliances seeks a joint venture to construct a 150 to 300 room first class hotel in downtown Adana.

The Turkish company will supply a 3,300 sq. yd. site. A U.S. investor is asked to contribute $490,000 of the estimated $1 million required for the proposed structure. Construction is planned to begin in October.

Write: Ekmekciler, Cakmak Cad No. 92. Adana, Turkey. IR-0170-X. WTD.

7011 Hotel construction

Technical assistance and $180,000 are sought by this company to plan and construct a 100 to 110 room first class hotel in downtown Adana. The Turkish manufacturer and importer of tractors and agricultural implements will contribute $200,000, plus the land which is situated on the East-West highway through Adana.

The company was founded in 1926 and presently employs about 400 persons. It plans to start construction on the hotel in 1970.

Write: A. Turan Guvenc Sons & Partners Join and Stock Co., P.K. 84, Adana, Turkey. IR-0172-X. WTD.

U.S. licensees offered rights to make Finnish, German products

Names and addresses available from Commerce Department; items include an electric sauna heater, axial piston units

Manufacturers in Finland and Germany are seeking U.S. licensees to produce and distribute their products in the United States.

The products offered include an electric sauna heater, axial piston units and a battery operated electrocardiogram viewer.

For additional information concerning these products and the names and addresses of the manufacturers **write:** Office of International Investment, code 874, Bureau of International Commerce, Department of Commerce, Washington, D.C. 20230. Reference should be made to the appropriate File number assigned each opportunity listed below.

- A Finnish manufacturer of electric ranges, ovens and sauna heating units seeks a U.S. distributor or licensee for its electric sauna heaters.

The heaters are available with 6, 7.5, 9, 12 and 15 kilowatt heating resistors. The complete unit includes a thermostat, control drive, signal lamps, and a lamp for the thermostat, which goes off when the pre-set temperature has been reached. According to the manufacturer, the temperature of the sauna can be adjusted from 110° to 230° F.

An outstanding feature of the heater is its large bin which holds around 60 lb. of stones. Heat is radiated directly to the stones from the tubular heating elements, located immediately beneath the stone bin. The mantle of the heater is made of enameled steel sheet and the inner parts and rock bin of stainless steel.

The Finnish concern plans to display its sauna heater at the Third Annual Inventors Exhibition in New York in September 1967. **File 1515.**

- A license is offered by a German firm for the U.S. production of its axial piston units designed to handle constant or variable liquid capacities. The agreement would include the manufacture of related regulating and controlling devices, flushing and safety valves and hydraulic drives.

The integral use of these units is applicable to pumps, hydraulic motors and servo motors. It is claimed by the manufacturer that its units are superior to similar products, due to their high efficiency and excellent durability. **File 1516.**

- A German manufacturer is interested in granting a license to a U.S. company to produce its portable electrocardioscope.

The instrument was especially developed for emergency use and is a battery powered, fully transistorized visual cardiograph designed to produce an electrocardiogram on a luminous screen.

The manufacturer claims the instrument is ready for operation within 12 seconds and that it is particularly valuable for heart and circulation failures, post-operative emergencies and accidents.

Investment Assistance

Firms responding to investment opportunities may wish to inform the Bureau of International Commerce of their action, for follow-up assistance where appropriate. This will insure receipt of additional information as it becomes available.

A (*) following the name of the foreign firm indicates that additional information is available by writing the Department of Commerce (BIC-876), Washington, D.C. 20230.

WTD indicates that a World Trade Directory report containing financial and business background information is available at $2 each from the Department of Commerce (BIC-916), Washington, D.C. 20230.

Special assistance is available to firms interested in joint ventures or licensing agreements abroad. Call Area Code 202, WO 7-4065 or write Department of Commerce (BIC-878), Washington, D.C. 20230.

The instrument, with three electrodes attached to its case, can be placed on the thorax wall directly over the heart. Weighing only a little over 2 lb., the device was developed by the German firm in collaboration with the Anaesthesia Department of the Tuebingen University Surgery Clinic. **File 1461-R.**

So. African firm wants to make vending machines

Interested in dispensing drinks, cigarettes, candy

A license to produce vending machines is sought by a Durban manufacturer of electronic organs under a licensing agreement with a major U.S. company. The South African concern also distributes pianos, organs and other musical instruments.

The Durban company plans to move into new and larger facilities where more space will be available than is required for organ production. It wants to diversify its operation and is interested in making coin operated vending machines dispensing such products as cigarettes, candy and soft drinks. The company is not interested in the manufacture of coin-operated washing machines.

Initially, a considerable proportion of the necessary components would have to be imported but, provided that the greater percentage of the vending machinery is made in South Africa, the Durban firm anticipates no difficulty in obtaining required import permits.

Reportedly very few South African firms are engaged in the manufacture of vending machines and import controls limit the number of machines that can be marketed in the country. In addition, the Durban company claims there is a good demand for vending equipment.

The owner of the South African company, who is said to be a successful and progressive businessman, is prepared to visit the U.S. to discuss licensing agreements with firms responding to this announcement.

Interested U.S. companies can obtain complete information about this opportunity by **writing:** Tabler Music Co. (Pty.) Ltd., 17/19 Field St., Durban, South Africa. Attention: Mr. R. H. F. Blanke. WTD.

Indian welding equipment manufacturer seeks venture

A Bangalore manufacturer of electric welding equipment seeks a joint venture to expand operations. The Indian firm is also interested in the production of cranes, bridge sections and steel structurals.

A U.S. participant is requested to furnish capital, machinery and equipment and technical knowhow.

The Indian concern reportedly operates a 5000 sq. ft. plant and has approximately 20 employees. It claims to have purchased a 32-acre site in the Bangalore area for purposes of expansion. The firm's product line includes resistance welding machines, metal containers, wheel barrows and other fabricated steel articles.

It is reported that there is an increasing demand in India for welding equipment and the other products, which the Bangalore firm proposes to manufacture.

To obtain additional information **write:** Construction Machinery Co., 19/1 Platform Road, Seshadripuram, Bangalore 20, Mysore State, India. WTD.

German firm wants license for testing equipment

A manufacturer of commutators, precious metal electrical contacts, and collector rings seeks a licensing agreement with a U.S. company. The German concern is interested in producing electrical or electronic industrial testing and controlling equipment, electrical machinery for the plastics industry, and plastic products for use in the electrical industry.

Established in 1961, the German company has around 120 employees and estimated sales of $750,000. It is a subsidiary of a leading German manufacturer of carbon brushes, brush holders and carbon electrodes.

For further details **write:** Kollektra Kollektoren-Fabrik GmbH, 6301 Krofdorf-Gleiberg, Germany. WTD.

Belgium die castings producer seeks venture

This firm, engaged in the production of all kinds of die castings and the trimming, polishing and molding of bakelite seeks a joint venture with a U.S. concern. Management expertise is asked of a U.S. partner.

For further details **write:** Anciens Ateliers Gasquy S.A., 63 Rue en Bois, Herstal, Belgium. Attention: Mr. J. Lerat. WTD.

Three French firms desire U.S. licenses

Offer to make tiller discs, footwear, electronic items

Three French firms are interested in U.S. licenses to produce tractor tiller discs, footwear, electronic components. To obtain additional information, U.S. firms should write directly to the French companies.

- The marketing and research subsidiary of two large French firms manufacturing embossed metal plates and shaped products seeks a licensing agreement on behalf of its parent firms.

The French companies are interested in the production of tractor tiller discs manufactured through a new process whereby the embossing and cutting edge are made in one operation.

One of the French manufacturers is capitalized at $27 million and has about 10,000 employees, while the other firm employs approximately 2,000 and is capitalized at $2.5 million. The marketing subsidiary, established in 1961, has 5 employees.

Write: Comptoir Exportation Produits Emboutis Francais—C.E.P.E.F., 26 rue de la Pepiniere, Paris 8, France. WTD.

- A footwear manufacturer in southwestern France seeks a license or similar business agreement with a U.S. firm engaged in related industrial activities. The arrangement would also call for an exchange of sales and distribution services by the companies.

Established in 1927, the French concern operates a modern, well equipped plant and has approximately 130 employees. It produces around 250,000 pairs of boots and shoes annually, including welded shoes, fur-lined boots, ankle boots and sport wear.

Write: Etablissements Chaumeil, No. 38 Bd. de la Republique, Agen (47), Lot-et-Garonne, France. WTD.

Measuring instruments

- A Paris manufacturer of electronic components, specializing in aircraft equipment seeks a license to make electronic components and measuring instruments.

It would also be interested in a contract to service electronic equipment marketed by U.S. manufacturers in France. The Paris concern was established in 1965 and has 8 employees.

Write: Inter-Elec, 65-67 Avenue Gambetta, Paris 20, France. WTD.

Turkey publishes investment guide

Booklet contains facts on new investments in concise form

Of possible interest to U.S. firms contemplating investment in Turkey is the recently released 169-page booklet titled "Guide to Foreign Capital Investment in Turkey". The booklet was published by the Director of the Foreign Capital Department of Turkey's Ministry of Commerce.

The first part of the guide is devoted to a description of opportunities available to foreign investors, legislation enacted by the Turkish government to stimulate investment and a complete list of branches of industries deemed essential to Turkey's economic growth. Regulations covering licensing and patent agreements are also cited.

It is noted in the publication that the establishment and operation of foreign companies in Turkey is presently regulated by the Foreign Investment Encouragement Law. Main provisions of this law are described in the booklet. This statute, as well as copies of various forms and questionnaires pertaining to investment are included in the supplement.

Additional material in the new tract covers such important areas as the forming of new corporations, employment and residence of foreign personnel and methods for the registry of foreign capital in Turkey. A key chapter in the booklet discusses Turkish labor and social legislation. Such major factors as labor contracts, working hours, union-employer relationships and insurance provisions are closely examined.

U.S. investors interested in obtaining a copy of the booklet, "Guide to Foreign Investment in Turkey" by regular mail should send a check for $4.23 to: Foreign Capital Department of the Ministry of Commerce, P.O.B. 151, Bakanliklar, Ankara, Turkey. To receive the publication by airmail remit $6.

Two German producers seek licensing arrangements

Two German manufacturers are looking for licensing arrangements with U.S. firms to produce automobile air conditioners and communication equipment.

• A manufacturer of telephone sets, switchboard equipment, and telephone answering devices seeks a licensing arrangement with a U.S. manufacturer of products in the communication and/or other fields.

Founded in 1922, the German firm operates a modern plant with special laboratory and quality control facilities. It has been engaged primarily in the production of equipment for Germany's public owned telephone system. The company has approximately 1,000 employees and reports anual sales of about $7.7 million.

The type of return to be offered a U.S. licensor is open to negotiation.

Interested U.S. companies can obtain additional details about this opportunity by contacting: Friedrich Merk Telefonbau AG, 32 Warngauerstrasse, 8 Muenchen 9, Germany. WTD.

• A manufacturer of commercial refrigeration equipment seeks a license to produce automobile air conditioners.

Founded in 1895, the German company has approximately 280 employees and reports annual sales of $2 million. In addition to its refrigeration equipment operation, the firm also makes small tables and chairs.

The type of return to be provided a U.S. licensor is open to negotiation.

For further details **write:** Maschinenfabrik Gebrueder Schubert, Pfistermeisterstrasse 43-45, 845 Amberg/Oberfalz, Germany. WTD.

French carpet producer seeks U.S. assistance

A small manufacturer of woolen carpets and rugs seeks some type of collaborative arrangement with a U.S. firm.

The French concern, which employs about 30 persons, is interested in expanding operations and adopting modern production methods.

To obtain the name and address of the French firm **write:** Bureau of International Commerce, Office of International Investment, 876, Department of Commerce, Washington, D.C. 20230.

Expansion venture proposed by Nassau distributor

A Nassau firm which has the distributorship for a major U.S. manufacturer's line of diesel engines and diesel-electric power generators proposes a joint venture for expansion purposes.

The Nassau concern offers equity and managerial participation in return for an investment of from $25,000 to $50,000.

Write: Diesel Energy (Bahamas) Ltd., P.O. Box 4750, Nassau, Bahamas. WTD.

Swedish company wants to make special machinery

A Goteborg Sweden manufacturer of mineral wool and glass processing machinery is interested in a licensing arrangement to produce complete plants and equipment for the manufacture of products connected with the building industry.

The Swedish company has considerable contacts in eastern Europe and claims to have delivered several complete installations to these countries for the production of a specific building material. It has received inquiries regarding the supplying of fully automated equipment for the production of bricks and lime sand bricks, and complete plants for the manufacture of corrugated asbestos cement roofing and partition walls.

U.S. licensor offered returns

A license to produce this machinery is sought with a U.S. firm, who would possibly furnish some equipment, plus qualified technicians. Returns in the form of royalties and/or fixed fees would be offered a U.S. licensor. To qualify for Swedish export credit guarantees, at least 70% of the equipment must be produced in Sweden. Machinery and equipment, up to 30% of the complete units, which would not be suitable for production under license would be imported under an agency agreement.

The Goteborg company operates a 3,000 square meter precision tool manufacturing plant with 60 machine tools. An 800 square meter welding and plate shop is under construction. The firm has around 120 employees, 22 of whom are highly skilled technicians. According to the firm, additional expansion of plant, machinery and number of employees presents no problem. The concern is owned by a Swedish investment company and additional production capacity is available within other firms in the group.

It is reported that the Goteborg concern currently has a licensing arrangement with a U.S. company. An executive of the Swedish firm is prepared to visit the United States this fall to discuss licensing arrangements with U.S. firms responding to this announcement.

For further details about this opportunity **write:** Jungers Verkstads AB, Fotogatan 2-4, Goteborg V., Sweden. WTD.

World Trade Opportunities pages 70-79

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. These numbers refer to the Standard Industrial Classification (SIC) Manual, which is available for $2.50 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any resultant trade relations.

The listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the Comprehensive Export Schedule or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

- ● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.
- ★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the Trade Opportunities Staff, BDSA-624, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.
- WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-916, U.S. Department of Commerce, Rm. 6059. Telephone: 202-WO 7-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Australia calls for bids on new terminal center

The govt. of Australia is seeking bids for the erection and operation of a terminal building commercial center at Moorabbin Airport in Victoria. The terminal building commercial center is to provide facilities for aircraft operators, pilots and other airport employees and visitors, and is expected to include liquor facilities in a restaurant, cocktail lounge, and overnight accommodations. The building may also contain professional and commercial offices, conference rooms and a technical library in addition to specialty shops such as gift shops, newsagency, ladies' beauty salon, men's hairdresser, etc. The successful tenderer will also be responsible for the provision of water, electricity, sewerage, telephone and other services on the site, as well as the construction of an access road and a car park to hold 50 cars. The Commonwealth of Australia will lease the proposed terminal building commercial center to the successful bidder. The term of the lease will be 20 years from the date specified by the Commonwealth.

One copy of a document containing pertinent forms and specifications including a plan of the airport site are available on a loan basis from the Building Materials & Construction Industries Div., BDSA, U.S. Dept. of Commerce, Washington, D.C. 20230, Rm. 4014. (Telephone: 202-WO 7-4272).

Deadline for bidding is 3 p.m., Aug. 1, and interested firms should correspond directly with The Secretary, Central Business Board, 3rd Floor, Sanderson House, 505 Little Collins St., Melbourne, Victoria.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

Sales Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless a desire for an agency agreement is expressed.

019 Miscellaneous agriculture

PORTUGAL—California Wonder pepper seeds. Direct purchase and agency. Ets. Teofilo Fontainhas Neto Comercio e Industria, S.A.R.L. (importer, exporter, wholesaler), Sao Bartolomeu de Messines Algarve. WTD in preparation.

121 Bituminous coal, coke

● **BURMA**—222,990 long tons steam coal; 25,030 long tons slack coal; 15,380 long tons hard coke for supply of stores. Tender No. MEIC/17/T-9/67, bid deadline July 28. Submit tenders airmail to Divisional Mgr., Import Div., Myanma Export Import Corp., 577 Merchant St., Rangoon.★ (Telephone: 202-WO 7-2421).

203 Canning, preserving foods

ITALY—Frozen fish, shrimp, crayfish, cuttlefish, sole, halibut, mullet. Direct purchase and agency. Vianello Otello & Orlando (wholesaler retailer, importer, exporter), Mercato Ittico, Chioggia (Venezia). WTD 6/67.

204 Grain mill products

IRELAND—Animal feeding stuffs. Direct purchase and agency. Dermot Hill & Co. (importing distributor) Bachelors La., Drogheda, Co. Louth. WTD 6/67.

205 Bakery products

FRANCE—Biscuits, crackers, bakery products, related grocery specialties. Agency and direct purchase. Sentenac (Etablissements Andre), (dealer, sales agent), 3 Rue du Perigord; 31-Toulouse, Haute-Garonne. WTD in preparation.

207 Confectionery

FRANCE—Candies; salted and roasted nuts, pecan, confectionery products in consumer and bulk packages, raw products and basic preparations for use by retail pastry shops, bakeries. Direct purchase and agency. Sentenac (Etablissements Andre) (dealer, agent). 3 Rue du Perigord; 31- Toulouse, Haute-Garonne. WTD in preparation.

GERMANY—Packaged confectionery products; both sugar, chocolate base. Curt Augenstein (wholesaler, importer). 753 Pforzheim/Baden, Pestalozzistrasse 9. WTD 7/67.

208 Beverage industries

AUSTRALIA—Soft drinks. Interested in offers from West Coast firms only. Direct purchase and agency. W.S.T. Sales Pty. Ltd. (importer, distributor, exporter, agent), 22 Jamison St., Sydney, N.S.W. WTD 1/19/66.

220 Textile mill products

AUSTRIA—Lining materials of rayon (oiscose, acetate), printed dress materials. Direct purchase and agency. Dipl. Ing. A Kvasnicka (importer, distributor), Rockhgasse 2, A-1010 Vienna. WTD in preparation.

SWEDEN—Piece goods, cotton, manmade fiber, printed and plain, for women's dresses, blouses, men's shirts; cotton towelling fabrics. Torsten Sjoholm AB (agent), Kvarnstensgatan 15, Halsingborg. WTD 6/22/67.

Piece-goods, manmade fiber, silk, cotton for women's, misses' dresses, blouses. AB Bronzella, Amal. WTD 6/21/67.

221 Broad woven fabric mills, cotton

SWEDEN—Cotton colored yarn fabrics for use as bed tickings. Scapa Industri AB (manufacturer), Smalands Rydaholm. WTD 6/22/67.

222 Broad woven fabric mills, manmade fiber, silk

AUSTRIA—Manmade fabrics for ladies' lingerie, brassieres, foundation garments; particularly for ladies' swim suits, beach wear. "Anita" Hermine A. Vonwald (manufacturer), Neustiftgasse 3, A-1070 Vienna. WTD 6/22/66.

SWEDEN—Fabrics for upholstered furniture. Scapa Industri AB (manufacturer), Smalands Rydaholm. WTD 6/22/67.

224 Narrow fabrics, other smallwares mills

AUSTRIA—Perforated elastic twin waist band for underwear, for use on double-head sewing machines. F. Haberkorn (importer, exporter, wholesaler, manufacturer, manufacturers' representative), Quellenstrasse 16, A-6901 Bregenz. WTD in preparation.

ETHIOPIA—Fringe, binding tape, other decorations for curtains. V. Karibian (importer), P.O. Box 1095, Addis Ababa. WTD in preparation.

225 Knitting mills, products

AUSTRIA—Knitted underwear, outerwear for infants, children; particularly sportswear for children. Requests replies in German. Isak Rauchwerger OHG (importer, wholesaler, retailer), Concordiaplatz 3, A-1010 Vienna. WTD 8/9/66.

Knit or tricot fabrics for ladies' lingerie, foundation garments, swim wear. "Anita" Hermine A. Vonwald (manufacturer), Neustiftgasse 3, A-1070 Vienna. WTD 6/22/66.

227 Floor covering mills, products

SWEDEN—Sisal rugs. Scapa Industri AB (manufacturer), Smalands Rydaholm. WTD 6/22/67.

229 Textile goods

PORTUGAL—New and old wool rags; synthetic and artificial staple fibre and waste. Direct purchase and agency. Rodigues & Bicho, Lda. (importer, distributor), Largo da Anunciada, 9-2°, Lisbon 2. WTD 6/16/67.

SWEDEN—Jute fabrics. Scapa Industri AB (manufacturer), Smalands Rydaholm. WTD 6/22/67.

235 Hats, caps, millinery

AUSTRALIA—Golf hats, made of soft fabrics. Olivie & Semet (Australia) Pty. Ltd. (importer, wholesaler), 50 Young St., Sydney, N.S.W. WTD 6/66.

238 Apparel, accessories

SWITZERLAND—Dusters, women's robes, dressing gowns; exclusive styles. Direct purchase and agency. "Sigwin" Winterstein & Co., Inh. Ch. Winterstein (importer), Habshagstrasse 13, 4153 Reinach, Baselland. WTD 6/67.

242 Sawmills, planing mills

FRANCE—Lumber and timber hardwoods, principally U.S. cherry, gean-tree wood. Price quotations, trade terms requested. Rouleau Freres & Cie (dealer, manufacturer), 1-7 Cours Saint-Georges; 24- Perigueux; Dordogne. WTD in preparation.

Rough, dressed and planed Oregon pine, hemlock, red-cedar. Requests replies in French. Gottweiss & Heimendinger, S.A. (importing wholesaler), 5, Rue de Koenigshoffen, 67 Strasbourg. WTD 6/67.

Lumber and timber; Oregon, hemlock, other varieties of American woods. Agency and direct purchase. Bois Service Intercontinents, S.A. (importer, dealer, agent), Quai Hubert Prom (Bassin a Flot No. 1); 33- Bordeaux, Gironde. WTD in preparation.

243 Millwork, veneer, plywood, prefabricated structural wood products

DENMARK—Millwork, veneer and structural wood products for building trade. Direct purchase and agency. Aktieselskabet S G J (importer, agent, distributor), 207-A, Skovvangsvej, Aarhus N. Cable: SAGGAJA, Aarhus. WTD 6/67.

253 Public building furniture

● **ETHIOPIA**—Supply of school furniture. Bid deadline Aug. 5. Sealed bids should be marked "Secondary School Furniture Supply." Bid bond of U.S. $6,000 required, and successful bidders must post performance bonds of 15% of original contract. Submitted by Ministry of Education & Fine Arts, Imperial Ethiopian Govt., P.O. Box 1367, Addis Ababa. Tender documents available, at U.S. $60 plus postage, from Architects Dept., Imperial Ethiopian Ministry of Education & Fine Arts, Addis Ababa.

259 Furniture, fixtures

AUSTRIA—Component parts of office furniture made of plastics materials, such as plastic drawers. Bueromoebel Otto Behan (manufacturer, wholesaler), Waehringerstrasse 48, A-1090 Vienna. WTD in preparation.

262 Paper mills, products

FRANCE—Wrapping paper of all categories, including Kraft liner, greaseproof paper; printing paper. Agency and direct purchase. Request replies in French. Papeteries de Lusignan (manufacturer, wholesaler), 46 Rue du 24-Fevrier; 79- Niort, Deux-Sevres. WTD in preparation.

264 Converted paper, paperboard products

AUSTRIA—Disposable plates, cups, trays for restaurants, roadside inns, snack bars. Requests replies in German. Erwin Greussing (importer, wholesaler, retailer, manufacturers' representative), Industrievertretungen, A-6923 Lauterach. WTD in preparation.

Paper table cloth, napkins; printed fancy papers (gift wrapping), shelf paper. Franz Holser O.H.G. (importer, wholesaler, retailer), Lederergasse 22, A-1080 Vienna. WTD in preparation.

All types of paper products for office, school use, stationery, greeting cards, advertising gifts. Direct purchase and agency. Friedrich Mastnak (importer, wholesaler, retailer, manufacturers' representative), Neubaugasse 31, A-1070 Vienna. WTD in preparation.

Office supplies, paper products supplementing present line of paper napkins, stationery, photo and record albums, desk sets, letter openers, seals, file cabinets. Not interested in large office machinery, furniture. Progress Co. Weiniger (importer, wholesaler), Landstrasse Hauptstrasse 18, A-1030 Vienna. WTD in preparation.

Paper products suitable for sale through stationery, school, office supply stores. Direct purchase and agency. Joh. Haas (importer, wholesaler, retailer, manufacturers' representative), Vogelweiderstrasse 37, A-4600 Wels. WTD in preparation.

Novelty paper and paperboard products to be sold through stationery, office, school supply stores. "Ku-Ba" Kurt Bauer (importer, wholesaler, manufacturers' representative), Landskrongasse 5, A-1010 Vienna. WTD 9/14/66.

FRANCE—Fancy wrapping paper, all categories, suitable for preparation of gift packages, birthday, New Year's, etc. Renaud & Buzaud (Anciens Etablissements) (dealers), 39 Rue de la Rousselle; 33- Bordeaux, Gironde. WTD 6/67.

266 Building paper, building board mills

DENMARK—Building boards, all types for housing field. Direct purchase and agency. Aktieselskabet S G J (importer, agent, distributor), 207-A, Skovvangsvej, Aarhus N. Cable: SAGGAJA, Aarhus. WTD 6/67.

273 Books

AUSTRALIA—Adult education self-improvement books. Direct purchase and agency. Lingard Investments Pty., Ltd. (retailer, distributor, importer), 85 William St., G.P.O. Box 3702, Sydney, N.S.W. WTD 1/67.

IRAN—Books for architects. Daneshjou Bookstore (importer), 222 Shah-Reza Ave., Opposite the University, Tehran. WTD 6/28/67.

● **VIET NAM**—Music books. Invitation No. 2719-16067. Bid deadline 9 a.m. July 28. Director, Central Purchasing Authority, P.O. Box H-5, Saigon, Viet Nam.★ (Telephone: 202-WO 7-4115).

274 Publishing

AUSTRALIA—Adult education self-improvement courses; art courses. Direct purchase and agency. Lingard Investments Pty., Ltd. (retailer, distributor, importer), 85 William St., G.P.O. Box 3702, Sydney, N.S.W. WTD 1/67.

275 Commercial printing

AUSTRALIA—Art prints, reproductions. Direct purchase and agency. Lingard Investments Pty., Ltd. (retailer, wholesaler, importer), 85 William St., G.P.O. Box 3702, Sydney, N.S.W. WTD 1/67.

AUSTRIA—Calendars, advertising material. Requests replies in German. Direct purchase and agency. "CARFA" Herbert Gussenbauer (importer, wholesaler, manufacturers' representative), Maria-Theresienstrasse 5, A-1090 Vienna. WTD in preparation.

277 Greeting card manufacturing

FRANCE—Greeting cards for Christmas, New Year, other occasions, including unprinted cards, illustrated cards with printed messages, standard type, 'de luxe' articles. Renaud et Buzaud (Anciens Etablissements) (dealer), 39 Rue de la Rousselle; 33- Bordeaux, Gironde. WTD 6/67.

281 Industrial chemicals

COSTA RICA—Calcium, copper, phosphorus, sulphur, potassium and sodium compounds; sulfuric, citric, hydrochloric acids; glycerine. Direct purchase and agency. Gurcke & Co. Ltda. (distributor, sales agency), Calle 2, Avenidas 8/10, Apartado 4607, San Jose. WTD 3/27/67.

DENMARK—Inorganic and organic chemicals for all purposes including chemicals for the paint and lacquer, rubber, paper manufacturing industries. Direct purchase and agency. Afridana A/S (importer, agent, distributor), 6 Dronning Olgasvej, Copenhagen F. Cable: AFRIDANA. WTD 6/67.

NETHERLANDS—Micronised aluminum silicates; micronised magnesium silicates; micronised calcium silicates; micronised calcium carbonates; synthetic silicas and calcites. Direct purchase and agency. Heybroek & Co.'s Handel Maatschappij N.V. (sales agent), 38-40 Leidsegracht, Amsterdam. WTD 4/24/67.

282 Synthetic materials

DENMARK—Plastics semi-manufactures of all kinds; raw and specialty materials by and for plastics industry, resins. Direct purchase and agency. Aktieselskabet S G J (importer, agent, distributor), 207-A, Skovvangsvej, Aarhus N. Cable: SAGGAJA, Aarhus. WTD 6/67.

283 Drugs

AUSTRALIA—Specialized health aids. Direct purchase and agency. Lingard Investments Pty., Ltd. (retailer, distributor, importer), 85 William St., G.P.O Box 3702, Sydney, N.S.W WTD 1/67.

TRINIDAD, W.I.—Drugs, pharmaceuticals for poultry, livestock. Direct purchase and agency. Trinidad Hatcheries, Ltd. (retailers, wholesalers, agents, importers), 8 Wrightson Rd., Port of Spain. WTD 6/67.

284 Soap, detergents, cleaning preparations, perfumes, cosmetics

AUSTRALIA—Specialized beauty aids. Direct purchase and agency. Lingard Investments Pty., Ltd. (retailer, wholesaler, importer), 85 William St., G.P.O. Box 3702, Sydney, N.S.W. WTD 1/67.

GREECE—Detergents, insecticides and repellants, household; chemicals for preparation of. Requests information, prices. C. M. Polat & Co. (importer), 25 Valaoritou St., Thessaloniki. WTD 4/67.

287 Agricultural chemicals

IRELAND—Agricultural chemicals, fertilizers. Direct purchase and agency. Dermot Hill & Co. (importing distributor), Bachelors La., Drogheda, Co. Louth. WTD 6/67.

289 Chemical products

DENMARK—All kinds of raw materials for food products industry; novelties. Direct purchase and agency. Aktieselskabet S G J (importer, agent, distributor), 207-A, Skovvangsvej, Aarhus N. Cable: SAGGAJA, Aarhus. WTD 6/67.

FRANCE—Adhesives and inks for office use. Direct purchase and agency. Requests replies in French or German. Pagros, S.A. (importing distributor), 12 Route d'Ingersheim, 68 Colmar. WTD 6/67.

291 Petroleum refining

GREECE—Waxes for floor, furniture and auto polish industry. Requests information, prices. C. M. Polat & Co. (importer), 25 Valaoritou St., Thessaloniki. WTD 4/67.

307 Plastic products

SWEDEN—Bag, pouch closures. Agency and direct purchase. Star Agentur, R. Darnolf AB (agent), P.O. Box 50, Lerum. WTD 6/21/67.

323 Glass products

GREECE—Glass, safety, mirror, sandwich, crystal. Requests information, prices. Direct purchase and agency. Leon D. Saltiel (commission agent), 36 Frangon St., Thessaloniki. WTD 5/10/65.

325 Structural clay products

DENMARK—Building tile: all kinds, partition, wall, flooring. Direct purchase and agency. Aktieselskabet S G J (importer, agent, distributor), 207-A, Skovvangsvej, Aarhus N. Cable: SAGGAJA, Aarhus. WTD 6/67.

326 Pottery, related products

FRANCE—Decorative pottery articles; casual stoneware and art semiporcelain and ceramic items, related decorative items, American patterns. Direct purchase and agency. Descriptive literature, price lists requested. Lalanne (Anciens Ets.) ("Prestige") (dealer), Place de la Republique; 33- Bazas, Gironde. WTD in preparation.

332 Iron, steel foundries

PAKISTAN—Centrifugal casting machines for manufacturing cast iron spun pipes (soil pipes) in diameter of 3 to 12 inches and length of 6 feet and 18 feet; water cooled machine, in which moulds are cooled by water spray as pipe is cast. Pipe manufactured by this process requires annealing before use; hot mould type machine, in which moulds are used hot. Pipe manufactured by this process does not require annealing. Pipe moulds for above. Power supply is 400-440 volts, 3 phase, 50 cycles. M.K. Foundry & Engineering Works Ltd. (manufacturer), 8-F Gulberg, P.O. Box 1104, Lahore. WTD 3/67.

342 Cutlery, hand tools, general hardware

UGANDA—Builders' hardware. Mohamed Bros., Ltd. (manufacturers' agents), P.O. Box 27, Mbale. WTD 6/67.

343 Heating apparatus, plumbing fixtures

PHILIPPINES—Plumbing fittings for water-closets, lavatories. Direct purchase and agency. Mr. John Filipowicz, Jr., Mgr.—Paint & Hardware Dept., Theo. H. Davies & Co., Far East, Ltd. (importer, wholesaler, retailer, indentor, exporter), Delgado Bldg., Bonifacio Dr., Port Area, Bx 287, Manila. WTD 1/31/66.

345 Screw machine products

GERMANY—Self-threader nuts; fasteners and fastener assembly systems. A. Raymond (manufacturer, exporter), 7850 Loerrach, Teichstrasse 57. WTD 6/67.

346 Metal stampings

● **GREECE**—Supply of 3,000,000 seals for meter boxes made of aluminum or other inoxidable metal or material. Tender No. PAP/2581/B, bid deadline Aug. 2. Estimated value: $100,000. Public Power Corp., Athens-Piraeus Div., 83-85 Academias St., Athens. Attention: Purchasing Dept.★ (Telephone: 202-WO 7-2939).

349 Fabricated metal products

AUSTRIA—Valves, pipes for use in oil field production. Direct purchase and agency. Comet Pyrotechnische Fabrik Han Liebenwein (manufacturer, importer, wholesaler), Schiesstattallee 14, A-9300 St. Veit a.d.Glan. WTD in preparation.

351 Engines, turbines

NETHERLANDS—Outboard motors. Direct purchase and exclusive representation requested. Technische Handelmaatschappij Van Rooy Dorsman N.V. (sales agent, importer, wholesaler), P.O. Box 4041, Amsterdam. WTD 6/22/67.

352 Farm machinery

AUSTRIA—Equipment for production of dehydrated lucerne (lucerne meal in pellets); equipment for fumigation with sulphur dioxide of grapes loaded in refrigerated railroad cars. Angel Slateff & Co. (importer, wholesaler), Laimgrubengasse 4, A-1060. WTD in preparation.

GERMANY—Equipment for cowsheds and pigsties, including feeding equipment; automatic manure removal; tank wagons for liquid manure; other modern equipment for animal husbandry. Direct purchase and agency. Gorter & Co. GmbH. (importer, sales agent, wholesaler), 28 Bremen-Arsten, Arsten Heerstrasse 94-95. WTD in preparation.

TRINIDAD, W.I.—Poultry, livestock equipment including hatcheries, incubators, feeders. Direct purchase and agency. Trinidad Hatcheries Ltd. (retailers, wholesalers, agents, importers), 8 Wrightson Rd., Port of Spain. WTD 6/67.

353 Construction, mining, materials handling machinery, equipment

AUSTRIA—Oil field production machinery, equipment; drilling rigs, derricks, heavy transportation equipment. Direct purchase and agency. Comet Pyrotechnische Fabrik Hans Liebenwein (manufacturer, importer, wholesaler), Schiesstattallee 14, A-9300 St. Veit a.d. Glan. WTD in preparation.

● **CEYLON**—Two 3,000 lb. electric fork lift

trucks. Bid deadline Aug. 24, (12 p.m.) Chairman, Ceylon Plywoods Corp., 420 Bauddhaloka Mawatte, Colombo 7.★ (Telephone: 202-WO 7-5585).

● **TURKEY**—One 4,000 lb. fork lift truck; gasoline or diesel. Tender No. 967/3034, bid deadline July 24. Materials Purchasing Dept., Turkish Maritime Bank.★ (Telephone: 202-WO 7-5585).

● Vertical hydraulic broaching machine, 1525 mm. stroke, Tender No. BEML/KCP/EQP/143-67/EB(I.S.M. Ref. No. D/ENQ/2328), bid deadline July 25; fully automatic gear grinder suitable for grinding spur and helical gears, Tender No. BEML/KCP/EQP/150-67/EB(I.S.M. Ref. No. D/ENQ/2336), bid deadline July 26; coil end taper rolling machine, Tender No. BEML/KCP/156-67/EB(I.S.M. Ref. No. D/ENQ/2330), bid deadline July 26; plate straightening machine for plates up to 20 mm. in thickness by 3200 mm. in width, Tender No. BEML/KCP/EQP/151-67/EB (I.S.M. Ref No. D/ENQ/2337), bid deadline July 26. Global procurement, Purchase Mgr., Bharat Earth Movers Ltd., Hindustan Aircraft P.O., Bangalore 17.

Copies of tender documents are available free of charge from the India Supply Mission, 2536 Massachusetts Ave., N.W., Washington, D.C. 20008.

● Hydraulic hypoid lapper suitable for lapping spiral bevel and hypoid gears and pinions, Tender No. BEML/KCP/EQP/146-67/EB (I.S.M. Ref. No. D/ENQ/2332); hydraulic hypoid tester, Tender No. BEML/KCP/EQP/147-67(I.S.M. Ref. No. D/ENQ/2333); Spiral Bevel Gear Generator, Tender No. BEML/KCP/145-67/EB(I.S.M.) Ref. No. D/ENQ/2334; automatic straight bevel gear generator, Tender No. BEML/KCP/EQP/144-67/EB (I.S.M. Ref. No. D/ENQ/2329); hydraulically actuated, automatic gear quenching machine, Tender No. BEML/KCP/EQP/148-67/EB (I.S.M. Ref. No. D/ENQ/2331); and wet-type grinder suitable for sharpening spiral and straight bevel cutters. Bid deadline July 25. Global procurement. Purchase Mgr., Bharat Earth Movers Ltd., Hindustan Aircraft P.O., Bangalore 17.

Copies of tender documents are available free of charge from the India Supply Mission, 2536 Massachusetts Ave., N.W., Washington, D.C. 20008.

354 Metalworking machinery

BRAZIL—Machine tools, metalcutting and metal forming types; rolling mill machinery; power driven hand tools; special dies, tools. Agency or exclusive representation. Representacoes Gutmann Ltda. (agent, representative), Avenida Rio Branco 18, 7° andar, salas 701/702, Rio de Janeiro, ZC-05. Caixa Postal 590, ZC-00, Rio de Janeiro, Estado da Guanabara. WTD 6/67.

COLOMBIA—Power hand tools, saws, drills. Jacobsohn Watch Co., Ltda. (manufacturer, distributor, importer), Apartado Aereo #6366, Cali, Valle. WTD 6/67.

FRANCE—Steel-drilling bits, tungsten carbide-tipped, self oiling, for use principally by aircraft industry and designed for operation with metalworking machine-tools, including multi-speed electric hard-steel drills; hole-boring capacity ranging in diameter from 5 to 40 millimeters (from .19685 in. to 1.5748 in., approximately). Price quotations, descriptive literature requested. Requests replies in French. Direct purchase and agency. Fourni-Auto (Ets. Andre Thevin & Cie.) (dealers), 116 Rue Fondaudege; 33- Bordeaux, Gironde. WTD in preparation.

GERMANY—Special tools and attachments, both for machine tools used in all metalworking industries. Erich Struecker (manufacturer, importer), Hohe Bleichen 22, Hamburg 36. WTD 1/67.

Metal cutting and metal forming machine tools. C.i.f. prices, catalogs requested. Direct purchase and agency. Ludwig Widani (sales agent, distributor), Eschenstrasse 35/37, 85 Nuernberg. WTD 6/67.

IRAN—Hand, precision, measuring tools. Naccarson Co. Ltd. (importer), Aftab Shargh Bldg., 7th Fl., Ferdowsi Ave., Tehran. WTD 6/27/67.

● Machinery for aluminum cable manufacture, including: 1500-2000 ton extrusion press; 15-20 ton stretcher; one each, billet and extrusion cutting saw; wire drawing machinery; stranding equipment with welders; material handling, laboratory, and maintenance equipment; billet heating furnace; aging oven; and electric resistance die heating oven, 1000°F. Bids requested as soon as possible. Ibrahim Moatamed, President Alumtek Corp., 332 Takhte Jamshid Ave., Bahar Sq., Tehran.★ (Telephone: 202-WO 7-2723).

NETHERLANDS—Garage and service station equipment. Exclusive representation on agency and/or outright basis required. Technische Handelmaatschappij Van Rooy Dorsman N.V. (sales agent, importer, wholesaler), P.O. Box 4041, Amsterdam. WTD 6/22/67.

PORTUGAL—Static balancing machines. Direct purchase and agency. Sociedade Comercial Romar, Lda. (importer, dealer, distributor), Rua da Boavista 83-1° Dto., Lisbon 2. WTD 3/15/67.

● **TURKEY**—Metalworking machinery, including: two vertical boring and turning machines, copy milling machines, camshaft grinder, precision borer, gear grinder, bevel gear lapper, tracer-controlled horizontal milling machine, piston ring grinder, turret lathes, planner type horizontal boring and milling machine two auto-tracer lathes, oxy-acetylene flame-cutting machine, internal broaching machine, universal testing machine, forging press, six molding machines, molding sand preparation equipment, blast cleaning machine, and two pneumatic core shooters. Bid deadline July 24. TCDD Isletmesi Mudurlugu, Merkez Alim ve Satim Komisyonu Reisligi, Ankara.

One copy of the tender document (in Turkish) is available for review in the U.S. Dept. of Commerce, Rm. 4208, Washington, D.C. Copies of tender documents are available from Modern Translation Bureau, Karanfil Sokak 49/1, Yenisehir, Ankara, for $34.00 per set, or $4.00 for each commodity.

355 Special industry machinery

AUSTRIA—Machinery, equipment for catering industry, for bakeries, confectionaries, including microwave heating equipment, machines to make, package French fries. Requests replies in German. Erwin Greussing (importer, wholesaler, retailer, manufacturers' representative), Industrievertretungen, A-6923 Lauterach. WTD in preparation.

Machinery, equipment, supplies for offset printing shops including rubber blankets, paper laminated aluminum foil for offset printing. Direct purchase and agency. Kuno Wald (importer, wholesaler, manufacturers' representative), Herrengasse 6-8, A-1010 Vienna. WTD in preparation.

★★ **BRAZIL**—Equipment to manufacture plastic foam, sandwich panels. Cruzeiro do Sul Ltda. (manufacturer), Rua Uruguai, 100; C. Postal 78, Marcelino Ramos, Rio Grande do Sol. WTD 6/67. TM-17A.

COLOMBIA—Power hand tools, saws, drills, other woodworking machinery. Jacobsohn Watch Co., Ltda. (manufacturer, distributor, importer), Apartado Aereo #6366, Cali, Valle. WTD 6/67.

DENMARK—Machinery and equipment for paint and lacquer, rubber, and paper manufacturing industries. Direct purchase and agency. Afridana A/S (importer, agent, distributor), 6 Dronning Olgasvej, Copenhagen F. Cable: AFRIDANA. WTD 6/67.

FRANCE—Food preparing and serving machinery, related equipment for commercial use, hotels, restaurants institutions; equipment for butchers and pork-butchers; pastryshops, bakeries; fish-mongers, other food caterers, preferably machines, products of new types. Catalogs, price lists requested. Direct purchase and agency. DITO (dealers, sales agent), 23- Aubusson, Creuse. WTD in preparation.

INDIA—Five hundred metric tons per annum capacity plant for manufacture of dimethyl sulphate from dimethyl ether and sulphur trioxide. Industrial Oxygen Co. (P), Ltd. (manufacturer), G.P.O. Post Box No. 91, Poona 1. WTD 6/67.

KOREA—Bonding machine (thermo-compression), welding, capping machines for semiconductor devices TO-5 & TO-18 packages, also for integrated circuits. Catalogs with illustrations, quotations requested. Yang Yang Corp. (manufacturer, exporter, importer), P.O. Box: IPO-1423 Seoul. Attn: Bill S. Han. WTD 5/67.

PORTUGAL—All types of equipment and materials related to sand blast cleaning and anticorrosion coating, also technical information. Viobra Anticorrosao e Acamentos, Lda. (importer, wholesaler), Avenida Oscar Monteiro Torres 13 r/c, Lisbon. WTD in preparation.

356 General industrial machinery

AUSTRIA—Oil-well and oil field pumps. Direct purchase and agency. Comet Pyrotechnische Fabrik Hans Liebenwein (manufacturer, importer, wholesaler), Schiesstattallee 14, A-9300 St. Veit a.d. Glan. WTD in preparation.

Machinery and apparatus for opticians. Direct purchase and agency. A. Schmied K.G. (importer, wholesaler, manufacturer, manufacturers' representative), Hasnerstrasse 9, A-4020 Linz. WTD in preparation.

BELGIUM—Labeling machines, measuring devices for use in garment industries. Verbanck & Co. (importer, distributor), 34 Bijlstratt, Borgerhout, Antwerp. WTD 6/67.

DENMARK—Industrial machinery and equipment for shipyards and iron foundries, all kinds. Direct purchase and agency. Afridana A/S (importer, agent, distributor), 6 Dronning Olgasvej, Copenhagen F. Cable: AFRIDANA. WTD 6/67.

GERMANY—Pumps resistant against corrosion fluids, heat exchangers, rectifying equipment, all for chemical industry. Requests price quotations c.i.f. Hamburg or Rotterdam. Direct purchase and agency. W. Strikfeldt & Co. GmbH. (importer, manufacturers' agent, wholesaler, designing and engineering), 11 Winterbeckestrasse, 527 Gummersbach. WTD 6/26/67.

Professional paint spraying equipment for use in building trade, interior and exterior walls, excluding conventional spraying guns, compressors, accessories. Direct purchase and agency. Sanitaria GmbH (manufacturer), 7140 Ludwigsburg/Wuertt., Postfach 87. WTD 6/67.

NETHERLANDS—Pneumatic and hydraulic tools for industrial applications. Exclusive representation on agency and/or outright basis required. Technische Handelmaatschappij Van Rooy Dorsman N.V. (sales agent, importer, wholesaler), P.O. Box 4041, Amsterdam. WTD 6/22/67.

SWEDEN—Bag, pouch closing machines; closures. Agency and direct purchase. Star Agentur, R. Darnolf AB (agent), P.O. Box 50, Lerum. WTD 6/21/67.

357 Office, computing, accounting machines

AUSTRIA—All types office machinery; typing, computing, accounting, duplicating machines. Direct purchase and agency. Adolf Schuss (importer, wholesaler, retailer manufacturers' representative), Kirchengasse 3, A-1070 Vienna. WTD in preparation.

Novelties in office machinery of all types, equipment for office modernization. Direct purchase and agency. Requests replies in German. Robert Streit (importer, wholesaler, retailer, manufacturers' representative), Wienerstrasse 31, A-3300 Amstetten. WTD in preparation.

Typewriters, calculating machines, other electric office equipment. Requests replies in German. W. Thetter (wholesaler, retailer), Technisches Kaufhaus, A-5500 Bischofshofen. WTD in preparation.

Bookeeping, invoicing machines. Direct purchase and agency. BOB Bueroorganisations- und Bueromaschinenvertriebsges.m.b.H. (importer, retailer, manufacturers' representative), Mariahilferstrasse 19, A-1060 Vienna. WTD in preparation.

Ancillary equipment for data processing. Direct purchase and agency. Alfred Feller & Soehne O.H.G. (importer, wholesaler, manufacturers' representative), Lerchenfelderstrasse 62/28, A-1080 Vienna. WTD in preparation.

Desk-type electronic computers, other newly developed office machinery. Direct purchase and agency. Dkfm. Ing. Erwin Fruehwald (importer, wholesaler, manufacturers' representative), Kaerntnerstrasse 21-23, A-1010 Vienna. WTD in preparation.

COLOMBIA—Adding, calculating, other office machines. Catalogues, price lists requested. Jacobsohn Watch Co., Ltda. (manufacturer, distributor, importer), Apartado Aereo #6366, Cali, Valle. WTD 6/67.

GERMANY—Electrostatic copying machines, mimeographing machines, other modern office machines. Direct purchase and agency. Kommanditgesellschaft Hanseatische Elektro-Import GmbH. & Co. (importer, wholesaler), Viehlohweg 4, Hamburg 61. WTD 1/67.

● **TANZANIA**—Supply of 350 typewriters: 200 of 18" carriage or nearest; 50 of 15" carriage or nearest; 100 of 12" carriage or nearest; on a running contract basis for the period Oct. 1, 1967 through Sept. 30, 1968. Tender No. CTB/247/D/1, bid deadline Aug. 10. Secretary, Central Tender Board, P.O. Box 49, Dar es Salaam.★ (Telephone: 202-WO 7-2939).

● Supply of duplicating machine supplies: 8000 boxes durotype stencils No. 62; 10,000 tubes black ink; 6000 bottles correcting fluid; on a running contract basis for the period Sept. 1, 1967 through Aug. 31, 1968. Tender No. CTB/276/B/2, bid deadline July 27. Secretary, Central Tender Board, P.O. Box 49, Dar es Salaam.★ (Telephone: 202-WO 7-2939).

358 Service industry machines

AUSTRIA—Commercial laundry machines, centrifugal dryers, mangles, ironing and drying machines, steaming apparatus for outerwear, folding machines, apparatus. Direct purchase and agency. J. J. Mieth (importer, wholesaler, manufacturers' representative), Volksgartenstrasse 8, A-8020 Vienna. WTD in preparation.

IRAN—Ice cream making machines. Bolourian Trading Co., Ltd. (importer), 45 Shah Ave., Chahar-Rahe Bahrami, Tehran. WTD 6/27/67.

TAIWAN—Water treatment and sewage treatment equipment and engineering of large capacity for industrial, municipal use. Direct purchase and agency. Swan Engineering & Trading Co. (manufacturer, agent), 1158 Chung Cheng Rd., Taipei. WTD in preparation.

361 Electric transmission, distribution equipment

● **IRELAND**—The Secretary, Electricity Supply Board of Dublin, has invited bids for 13,000 m. of 110 kv cable and accessories. The cable rating required is 625 amps with ground thermal resistivity of 120°C. CM/Watt when laid at a depth of 1.2 meters. Offers for any proved type of cable are acceptable. Closing date is July 31.

The Copper Div., BDSA 638, U.S. Dept. of Commerce, Washington, D.C., (Telephone: 202-WO 7-4717), has one copy of the tender. Firms interested may copy or use the tender in Rm. 4806 Main Commerce Bldg.

● **MALTA**—The Secretary, Malta Electricity Board, has invited U.S. manufacturers to apply for bids for 7,000 yds., 33 kv oil filled underground cable, pilot cable and accessories. Closing date is 10 a.m. Aug. 1. Tender documents may be obtained on payment of a fee of £5 per set in favor of the Malta Electricity Board for either The Secretary, Malta Electricity Board, National Rd., Blata il-Bajda, Malta, G.C. or Messers. Preece, Cardew & Rider, 8, 10 and 12 Queen Anne's Gate, London, S.W.1, England. The fee will not be refunded.

SWITZERLAND—Potentiometers, relays for all industries. Direct purchase and agency. MODAL-TECHNIK (importer, distributor), Auf dem Wolf 10, 4000 Basel 28. WTD 3/2/67.

362 Electrical industrial apparatus

SWITZERLAND—Miniature motors. Direct purchase and agency. MODAL-TECHNIK (importer, distributor), Auf dem Wolf 10, 4000 Basel 28. WTD 3/2/67.

363 Household appliances

AUSTRIA—Small water softeners to be attached to faucets, decorative water fountains for living rooms. Direct purchase and agency. Alpenkunststoff Ges.m.b.H. (importer, wholesaler, distributor), Zollfreizone, Postfach 55, A-4021 Linz. WTD in preparation.

Household laundry machines, refrigerators, flat irons, other electric household appliances. Requests replies in German. W. Thetter (wholesaler, retailer), Technisches Kaufhaus, A-5500 Bischofshofen. WTD in preparation.

BELGIUM—Attachments, parts for industrial sewing machines such as Lewis, Union Special, Pffaf. Verbank & Co. (importer, distributor), 34 Bijlstraat, Borgerhout, Antwerp. WTD 6/67.

IRAN—Meat mincer, coffee grinder. Bolourian Trading Co., Ltd. (importer), 45 Shah Ave., Chahar-Rahe Bahrami, Tehran. WTD 6/27/67.

364 Electric lighting, wiring equipment

● **BURMA**—Supply of 1,000 fluorescent lamps, 80 watts, 200/250 volts, AC only and 2,000 bi-pin starters for 80 watt fluorescent lamps. Tender No. 1/EL/G.T.I (67-68). Bid deadline July 31. The Principal, Govt. Technical Institute, Insein.★ (Telephone: 202-WO 7-5345).

GERMANY—High frequency connectors for single and multiple pole requirements series: BNC - C - N - HN - UHF; baseboard multi-outlet systems. Direct purchase and agency. Gustav Adler, Metallwarenfabrik (manufacturer, exporter), 7530 Pforzheim, Kirchenstrasse 14. WTD 6/67.

SWITZERLAND—Miniature lamps. Direct purchase and agency. MODAL-TECHNIK (importer, distributor), Auf dem Wolf 10, 4000 Basel 28. WTD 3/2/67.

365 Radio, television receiving sets

AUSTRIA—Television, radio receiving sets, including portables. Requests replies in German. W. Thetter (wholesaler, retailer), Technisches Kaufhaus, A-5500 Bischofshofen. WTD in preparation.

ECUADOR—Television miniture and medium-sized receiving sets. Hector BARONA Mariscal (indent agent), P.O. Box 3230, Guayaquil. WTD 6/6/66.

366 Communications equipment

● **AUSTRALIA**—Supply of telephone switchboard keys of various types ranging in quantities from 40 to 120,000. Tender No. C5020, bid deadline Aug. 1. The Deputy Assistant Dir. Gen. of Supplies, Postmaster-General's Dept., 380 Russell St., Melbourne, C.1., Victoria.★ (Telephone: 202-WO 7-4823).

AUSTRIA—Automatic telephone answering systems, automatic dialers, personnel call receivers, other equipment for office modernization. Direct purchase and agency. Dkfm. Ing. Erwin Fruehwald (importer, wholesaler, manufacturers' representative), Kaerntnerstrasse 21-23, A-1010 Vienna. WTD in preparation.

369 Electrical machinery, equipment, supplies

GERMANY—Electronic precision components, equipment for industry, defense, aerospace. Direct purchase and agency. Industrial Electronics GmbH (importer, wholesaler), 6 Frankfurt/Main, Klueberstr. 14. WTD 6/66.

● **INDIA**—Supply of 12,000 light duty three watt generators without base plate and handle but with accessories. Tender No. PEE 53928/SPC, bid deadline July 31. Purchase Officer, Indian Telephone Industries, Ltd., Dooravani Nagar, Bangalore 16. Tender documents available at $1.50 each, from the India Supply Mission, 2536 Massachusetts Ave., N.W., Washington, D.C. 20008.

371 Motor vehicles, motor vehicle equipment

MOROCCO—Parts and replacement parts for tractor trailers such as ball and socket trailer hitch, universal joints of all dimensions and power take-off for Ford, Chevrolet and International truck types. Quotations c.i.f. Casablanca. Requests correspondence in French. Exclusive agency. STERLING USA REMORQUES (importer), 64, Rue Lamoriciere, Casablanca. WTD 6/67.

VENEZUELA—Clutches; water pumps for automotive vehicles. Requests replies in Spanish. C.A.R.E.N., C.A. Remanufacturera de Embragues (manufacturer, distributor), Calle Real de Quebrada Honda 52, Caracas. or: Apartado 8561, Caracas. WTD 6/20/67.

381 Engineering, laboratory, scientific, research instruments

● **TURKEY**—Supply of 90 theodolites and 100 levels: min. magnification, 25x; max. range sighting, 2.5m and 2m.; stadia coefficient, 100. Tender No. 67-0812-1 (theodolites), 67-0812-2 (levels), bid deadline Aug. 5. Copies of tender documents available free of charge from requesting agency: Karayollari Genel Mudurlugu, Malzeme Subesi Mudurlugu, Ankara. (The Directorate General of Highways, Procurement Dept.)

382 Measuring, controlling, indicating physical characteristics

NETHERLANDS—Positive displacement meters, and attachments, with capacities of more than 6,000 liters per minute and less than 1,375 liters per minute. Direct purchase and exclusive representation required. IMBREMA-ROLBA N.V. (sales agent, importer, wholesaler), 5-7 Mauritsstraat (P.O. Box 160), Haarlem. WTD 6/22/67.

383 Optical instruments, lenses

AUSTRIA—Machinery, equipment for opticians, ophthalmological instruments, vertex refractometers. Direct purchase and agency. Dkfm. Dr. Max Schamschula (importer, wholesaler, manufacturers' representative), Roemerstrasse 69 A, A-4020 Linz. WTD in preparation.

384 Surgical, medical, dental instruments

AUSTRIA—Diagnostic instruments, hospital equipment, medical apparatus other than electric. Direct purchase and agency. J. Odelga aerztlich-techn. Industrie Ges.m.b.H. (importer, wholesaler, manufacturer, manufacturers' representative), Ganglbauergasse 11, A-1160 Vienna. WTD 5/66.

Endoscopes, suture needles, other surgical instruments, supplies; also for dental surgery. Direct purchase and agency. Wilhelm Pabisch O.H.G. (importer, wholesaler, manufacturers' representative), Mariannengasse 11, A-1095 Vienna. WTD 6/66.

Medical, surgical apparatus, instruments, supplies, including rubber, plastic material products for hospitals. Direct purchase and agency. SANITARIA, Friedrich Miedler K.G. (importer, wholesaler, manufacturers' representative), Walfischgasse 15, A-1010 Vienna. WTD in preparation.

FRANCE—Dental laboratory equipment, instruments, tools, such as dental burs and drills; lathes and cutting instruments; pliers; orthodontic appliances; dental supplies of all categories, including waxes, cement, gypsum, impression materials, amalgams, alloys, and related lines, primarily new products. Descriptive literature, price lists requested from firms interested in direct exportation. Requests replies in French. Dental Association Picard & Cie. (DAP) (dealers, sales agents), 12 Cours Louis-Jourdan; 87- Limoges, Haute-Vienne. WTD in preparation.

ITALY—Clinical, medical, surgical instruments, equipment, apparatus. Direct purchase and agency. Medical Center (representative, importer), Viale Vittorio Veneto No. 151, Catania. WTD 6/26/67.

385 Ophthalmic goods

AUSTRIA—Spectacle frames, sun glasses to supplement own production; sun protective attachments, other accessories for spectacles. Direct purchase and agency. A. Schmied K.G. (importer, wholesaler, manufacturer, manufacturers' representative), Hasnerstrasse 9, A-4020 Linz. WTD in preparation.

386 Photographic equipment

AUSTRIA—Photocopying equipment. Direct purchase and agency. Reinauer & Co. (importer, wholesaler, retailer, manufacturers' representative), Maerzstrasse 23, A-1151 Vienna. WTD in preparation.

UGANDA—Photographic equipment including photographic chemicals. Mohamed Bros. (manufacturers' agent), P.O. Box 27, Mbale. WTD 6/67.

394 Toys, amusement, sporting goods

VENEZUELA—Baby carriages; games and toys; dolls; playpens. Requests replies in Spanish. Giorgio Ferrante Sortino (Importadora Alessi) (importer), Ibarras a Maturin 27-2, Caracus. WTD 6/20/67.

395 Pens, pencils, office, artists' materials

AUSTRIA—Novelty items of type sold through office, school supply stores. "Ku-Ba" Kurt Bauer (importer, wholesaler, manufacturers' representative), Landskrongasse 5, A-1010 Vienna. WTD 9/14/66.

Ball point pens, felt, fiber point pens in all price categories; novelties in office, school supplies. Direct purchase and agency. Requests replies in German. Schreibwarengrosshandlung Renatus Battistic (wholesaler), Schoenbrunnerstrasse 110-112, A-1050 Vienna. WTD in preparation.

Ball point pens, refills; felt point pens, refills; tape for marking (embossing) machines, office supplies of plastics materials. Direct purchase and agency. Requests replies in German. "CARFA" Herbert Gussenbauer (importer, wholesaler, manufacturers' representative), Maria-Theresienstrasse 5, A-1090 Vienna. WTD in preparation.

Writing instruments, all other types of products suitable for sale through stationery, school, office supply stores. Direct purchase and agency. Joh. Haas (importer, wholesaler, retailer, manufacturers' representative), Vogelweiderstrasse 37, A-4600 Wels. WTD in preparation.

Ball point pens, refills for same; carbon, indigo paper. Karl Pestebner (importer, wholesaler), Maygasse 7, A-8020 Graz. WTD in preparation.

Novelties in office supplies including writing, drawing instruments, office stationery. Direct purchase and agency. Requests replies in German. Robert Streit (importer, wholesaler, retailer, manufacturers' representative), Wienerstrasse 31, A-3300 Amstetten. WTD in preparation.

Novelties in modern office supplies including filing systems. Direct purchase and agency. Requests replies in German. Anton Trenner (importer, wholesaler, manufacturer, manufacturers' representative), Johnstrasse 63, A-1150 Vienna. WTD in preparation.

All types of supplies for draftsmen and filing rooms, including instruments, furniture. Direct purchase and agency. Tumapapier Wilhelm Tuma (importer, wholesaler, retailer, manufacturers' representative), Quellenstrasse 127-129, A-1100 Vienna. WTD in preparation.

School supplies, stationery, novelty greeting cards, related products. Direct purchase and agency. Weber & Koci (wholesaler), Raaberbahngasse 24-26, Postfach 126, A-1101 Vienna. WTD in preparation.

Writing instruments, office supplies. Direct purchase and agency. Erla Ges.m.b.H. (wholesaler, manufacturers' representative), Biberstrasse 15, A-1010 Vienna. WTD in preparation.

FRANCE—Pens, pencils, artists' materials, marking devices, carbon paper, inked ribbons, other office supplies. Direct purchase and agency. Requests replies in French or German. Pagros, S.A. (importing distributor), 12 Route d'Ingersheim, 68 Colmar. WTD 6/67.

398 Manufacturing industries

AUSTRALIA—Educational/scientific aids and kits. Direct purchase and agency. Lingard Investment Pty., Ltd. (retailer, distributor, importer), 85 William St., G.P.O. Box 3702, Sydney, N.S.W. WTD 1/67.

AUSTRIA—Advertising gifts. Direct purchase and agency. Requests replies in German. "CARFA" Herbert Gussenbauer (importer, wholesaler, manufacturers' representative), Maria-Theresienstrasse 5, A-1090 Vienna. WTD in preparation.

Advertising gifts, novelties in advertising materials. Direct purchase and agency. Werla Ges.m.b.H. (wholesaler, manufacturers' representative), Biberstrasse 15, A-1010 Vienna. WTD in preparation.

Smokers' utensils of all kinds, including lighters, pipe racks, stands. Requests replies in German. Einkaufsgenossenschaft der Tabaktrafikanten (cooperative purchasing organization), Untere Donaulaende 26, Postfach 22, A-4010 Linz. WTD in preparation.

Advertising novelties of all kinds. "Ku-Ba" Kurt Bauer (importer, wholesaler, manufacturers' representative), Landskrongasse 5, A-1010 Vienna. WTD 9/14/66.

COLOMBIA—Educational aids such as models, apparatus, used for learning, demonstration. Jacobsohn Watch Co. Ltda. (manufacturer, distributor, importer), Apartado Aereo No. 6366, Cali, Valle. WTD 6/67.

FRANCE—Giftware and fancy articles, novelties, including small gadgets of new types suitable for sale in France. Direct purchase and agency. Lalanne (Anciens Ets.) ("Prestige") (dealer), Place de la Republique; 33-Bazas, Gironde. WTD in preparation.

SWITZERLAND—Wigs and wiglets, hair brushes. Direct purchase and agency. "Sigwin" Winterstein & Co., Inh. Ch. Winterstein (importer, wholesaler), Habshagstrasse 13, 4153 Reinach, Baselland. WTD 6/67.

509 Wholesalers

IRELAND—Farm seeds, all types. Direct purchase and agency. Dermot Hill & Co. (importing distributor) Bachelors La., Drogheda, Co. Louth. WTD 6/67.

739 Business services

● **VENEZUELA**—Caracas publicity, public relations, and market research firm wishes to obtain either full partners in the United States or to receive supervision and accounts. Requesting firm was formed in January, has an authorized capital of Bs. 300,000 ($68,181) and is comprised of young, aggressive people experienced in general publicity work, market research, economic studies, management consulting, management training, motivational research, auditing and exposition design. Interested parties should contact Sr. Carlos Ivan Merida, President, Publicated S.A., Apartado 4190 del Este, Caracas.

891 Engineering, architectural services

TAIWAN—Engineering consulting services for manufacturing dried egg powder. Royal Co. Ltd. (importer, manufacturer, wholesaler), 43-1 Sung Chiang Rd. WTD in preparation.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subisidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

U.K., Canadian firms win Nigerian communications bid

The Federal Military Govt. on June 7 awarded three contracts for more than £13 million (£1 = U.S. $2.80) for three sections of Step III of the Nigerian Telecommunication Plan. Bids for the four sections of the Step were opened on May 11 by the Federal Ministry of Communications, but a contract for the switching additions section was not awarded. The three contracts awarded are: new exchanges and toll switching equipment, to Northern Electric Co. of Canada for £1,839,606; long-distance telecommunications circuits using radio to interconnect 33 cities, to the General Electric Co. (GEC) of the United Kingdom for £8,305,484; the external plant portion, to the British Insulated Callender's Cables, Ltd. (BICC) of the United Kingdom for £3,231,631. Northern Electric Co. was awarded a separate contract in Step III in Apr. 1967, to supply 7,000 automatic lines in Lagos.

Step HI consists of engineering, furnishing, transporting, installment and testing of radio systems, switching systems and external plant in 33 cities and towns throughout the country. In general, Step III will provide modern, long-distance, direct-dial telecommunications facilities linking major switching centers in northern Nigeria with major telecommunications centers in the south.

Including the most recent awards, about £23 million worth of contracts have been awarded to implement the Nigerian Telecommunication Plan. Reportedly, there will be a delay in the initiation of Step III projects.

Sales Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

203 Canning, preserving foods

DENMARK—Canned and dried fruits and vegetables such as raisins, California dates, dried apricots, dried mixed fruit, canned fruits of all kinds, all kinds of canned vegetables, sauces. Seeks California packer of dried plums. Agency. Karl O. Christensen A/S (importing agent), 22 Stolpegaardsvej, Copenhagen-Gentofte. Cable: Rolhas. WTD 6/67.

204 Grain mill products

DENMARK—Rice for domestic use. Karl O. Christensen A/S (importing agent), 22 Stolpegaardsvej, Copenhagen-Gentofte. Cable: Rolhas. WTD 6/67.

ECUADOR—Edible fats-derived additive to prevent uncontrolled grain opening in flour processing. Hector Barona Mariscal (indent agent), P.O. Box 3230, Guayaquil. WTD 6/6/66.

209 Food preparations

DENMARK—Delicatessen type food specialties, canned, dried, dehydrated, packed; all kinds and novelties. Karl O. Christensen A/S (importing agent), 22 Stolpegaardsvej, Copenhagen-Gentofte. Cable: Rolhas. WTD 6/67.

220 Textile mill products

AUSTRIA—Woven piece goods including basic materials for embroiderers, yarn for textile industry. No finished textile products. Requests replies in German. Norbert Gaechter (importer, manufacturers' representative), Emme 36, A-6844 Altach. WTD in preparation.

Novelty fabrics for embroidery, textile printing industries. Karl Grhammer (manufacturers' representative), Gaertnerstrasse 1, A-6890 Lustenau. WTD in preparation.

228 Yarn, thread mills, products

AUSTRIA—Novelty yarn for knitting industry; cotton, wool, synthetic, blended, textured. Karl Grahammer (manufacturers' representative), Gaertnerstrasse 1, A-6890 Lustenau. WTD in preparation.

GERMANY—Finished yarns for industrial use, textured yarns, cotton, man-made fiber, others. F. C. Bayeriein Baumwollspinnerei (manufacturer, exporter, distributor), 858 Bayreuth, Eduard-Bayerlein-Strasse 1. WTD 6/67.

229 Textile goods

ECUADOR—Coated, impregnated fabrics for upholstery use. Hector Barona Mariscal (indent agent), P.O. Box 3230, Guayaquil. WTD 6/6/66.

244 Wooden containers

FRANCE—Tight barrels for storage and shipment of liquids, alcoholic beverages, such as whiskey, brandy; related large-size transportation containers. Fabre & Fils (Societe Louis) (dealers, manufacturers), 61-64 Quai de Paludate; 33- Bordeaux, Gironde. WTD 6/67.

252 Office furniture

NETHERLANDS—New types of office storage, filing and other cabinets, clothes racks or storage systems, other sophisticated types office storage, handling supplies. Exclusive representation for Benelux. Van Den Bos Handelscompagnie C.V. (importer, wholesaler), 9 Diepenhorstlaan, Rijswijk (Z.H.). WTD 5/67.

253 Public building furniture

NETHERLANDS—New types and sophisticated storage and handling fixtures and supplies for schools, institutions, theatres such as clothes racks, storage cabinets, special purpose units. Exclusive representation for Benelux. Van Den Bos Handelscompagnie C.V. (importer, wholesaler), 9 Diepenhorstlaan, Rijswijk (Z.H.). WTD 5/67.

254 Partitions, shelving, lockers, office, store fixtures

NETHERLANDS—New types of clothes storage, lockers, shelving, partitions, storage bins, containers for warehouses, factories, schools, offices. Exclusive representation for Benelux. Van Den Bos Handelscompagnie C.V. (importer, wholesaler), 9 Diepenhorstlaan, Rijswijk (Z.H.). WTD 5/67.

264 Converted paper, paperboard products

ITALY—Stationery, paper and envelopes, packaged. Requests replies in Italian, French. Cartolibreria Moderna di Vincenzo Marotta (sales agent, retailer), 37 Via Piave, Siracusa. WTD 6/20/67.

281 Industrial chemicals

NORWAY—Stainless steel powder. Nils Solberg A/S (manufacturers' agent), Tollbugaten 3, Oslo 1. WTD 6/67.

284 Soaps, detergents, cleaning preparations, perfumes, cosmetics

UGANDA—Soap, detergents and cleaning preparations, perfumes, cosmetics, other toilet preparations. Mohamed Bros., Ltd. (manufacturers' agents), P.O. Box 27, Mbale. WTD 6/67.

333 Primary smelting, refining of nonferrous metals

INDIA—Aluminum and tin in ingots, rolled products. Shanta Bros. Private, Limited (sales agent), Waswani Mansions, Dinsha Wacha Rd., Bombay 1 BR. WTD 6/67.

341 Metal cans

VENEZUELA—Milk cans, for dairy farms. Universal Impex Agencies, Ltd. (commission merchant), N° 3-C-24 Calle 72, Maracaibo, Estado Zulia. Or: Apartado 1339, Maracaibo, Estado Zulia. WTD 11/4/66.

342 Cutlery, handtools, general hardware

NETHERLANDS—Aircraft fasteners of advanced design. Exclusive representation for Benelux. Schuller N.V. Luchtvaart Adviesbureau (importer), 15 Eikenhorstlaan, Wassenaar. WTD 1/67.

UGANDA—Hand tools. Mohamed Bros., Ltd. (manufacturers' agents), P.O. Box 27, Mbale. WTD 6/67.

344 Fabricated structural metal products

VENEZUELA—Irrigation equipment, accessories, couplings, pipe. Universal Impex Agencies, Ltd. (commission merchant), N° 3-C-24 Calle 72, Maracaibo, Estado Zulia. Or: Apartado 1339, Maracaibo, Estado, Zulia. WTD 11/4/66.

351 Engines, turbines

PAKISTAN—Marine diesel engines. Requests catalogs, quotations, C. & F., Karachi. A. G. Enterprises (importer), 26 Bambino Chambers, Garden Rd., Karachi. WTD 4/67.

VENEZUELA—Diesel, gasoline engines for use with irrigation systems. Universal Impex Agencies, Ltd. (commission merchant), N° 3-C-24 Calle 72, Maracaibo, Estado Zulia or: Apartado 1339, Maracaibo, Estado Zulia. WTD 11/4/66.

353 Construction, mining, materials handling machinery, equipment

GERMANY—Industrial, commercial conveying equipment, lifts. C.i.f. prices, catalogs, etc. requested. Exclusive representation. Heinrich Baumueller Fabrik fuer Elektrotrechnik GmbH (manufacturer, distributor), Ostendstrasse 80, 85 Nuernberg 80. WTD 6/67.

NETHERLANDS—Advanced type conveyors for storage areas, new design pallets, lifting and loading platforms, stacking equipment, warehouse trucks, other sophisticated handling equipment for warehouse, factories. Exclusive representation for Benelux. Van Den Bos Handelscompagnie C.V. (importer, wholesaler), 9 Diepenhorstlaan, Rijswijk (Z.H.). WTD 5/67.

VENEZUELA—Trenching machines, self-propelled; rock drills. Universal Impex Agencies, Ltd. (commission merchant), N° 3-C-24 Calle 72, Maracaibo, Estado Zulia or: Apartado 1339, Maracaibo, Estado Zulia. WTD 11/4/66.

354 Metalworking machinery

ETHIOPIA—Machine tools. Velissariou (Eth), Ltd. (importer, wholesaler, distributor, retailer), P.O. Box 123, Addis Ababa. WTD 2/25/66.

FRANCE—Screw-cutters, thread-cutters, drillers, millers, other mater-working machine-tools for industrial uses; light- and medium-duty; including grinding machines, automatic lathes, power-driven metal-cutting tools. Requests replies in French. Bax, Andre (Societe des Anciens Etablissements) (dealer, sales agent), 274 Route de Launaguet; 31- Toulouse, Haute-Garonne. WTD in preparation.

NETHERLANDS—Wire processing and coating machinery. Exclusive representation. Rollo N.V. (trading company), 10-12 Alexanderstraat, The Hague. WTD 7/67.

Small power driven handtools, hand and other type, tool kits for do-it-yourself sector, including drills with chucks up to ¼", screwdrivers, grinders, sanders and polishers, band and circle saws, router kits, hedge trimmers, wrenches, all suitable for 220 voltage. Exclusive agency. N.V. Techn. Bur. Marijnen (importer), P.O. Box 1001, The Hague. WTD 6/67.

355 Special industry machinery

FRANCE—Woodworking machinery, medium and light-duty machines, and tools, including industrial equipment and equipment for artisan workers. Descriptive literature, price lists requested. Requests replies in French. Societe Industrielle d'Equipment (S.I.E.) (dealers), 1 Rue Viguerie; 31- Toulouse, Haute-Garonne. WTD in preparation.

Automatic glass-processing and mirror-silvering machinery (electric current, 220 volts, a.c., 50-cycle, 3-phase), medium-duty equipment. Requests replies in French. Broquart & Cie. (Miroiterie) (manufacturer), 68-72 Cours Le Rouzic; 33- Bordeaux-Bastide, Gironde. WTD 6/67.

GERMANY—Textile and/or woodworking machinery. Univeg Maschinen- und Apparatebau GmbH & Co. KG (manufacturer, retailer, distributor), Burgfriedenstrasse 23a, 8904 Friedberg bei Augsburg. WTD 6/67.

NETHERLANDS—Machines and equipment for small printers especially in offset sector. Exclusive representation. Kantoormachine-Import A. de Granada N.V. (importer, wholesaler), P.O. Box 304, The Hague. WTD 5/67.

356 General industrial machinery

NETHERLANDS—Dust collection equipment, industrial furnaces. Exclusive representation. Rollo N.V. (trading company), 10-12 Alexanderstraat, The Hague. WTD 7/67.

VENEZUELA—Rotary air compressors, deep-well pumps and accessories for depth up to 700 feet, centrifugal pumps, all capacities from 3" up. Universal Impex Agencies, Ltd. (commission merchant), N° 3-C-24 Calle 72, Maracaibo, Estado Zulia. or: Apartado 1339, Maracaibo, Estado Zulia. WTD 11/4/66.

357 Office, computing, accounting machines

COSTA RICA—Check protecting machine. Enrique Herrero & Cia. Ltda. (distributor, sales agency), Av. 2, No. 316, Apartado 677, San Jose. WTD 6/15/67.

FRANCE—Small office equipment, accessories, supplies, including desk-type adding machines and calculators; stapling machines; data recording equipment; duplicators, other office items. Papeteries de Lusignan (wholesaler), 46 Rue du 24-Fevrier; 79- Niort, Deux-Sevres. WTD in preparation.

NETHERLANDS—Office machines such as collating machines, binding machines for books, periodicals and brochures, cutting machines for office use, addressing machines, sorting and counting machines. Exclusive representation for Netherlands. Kantoormachine-Import A. de Granada N.V. (importer, wholesaler), P.O. Box 304, The Hague. WTD 5/67.

358 Service industry machines

AUSTRIA—All types machinery, equipment for commercial laundries, dry cleaners. Benochema (importer, wholesaler, manufacturers' representative), Internationales Maschinenkontor, Lichtenauergasse 7, A-1021 Vienna. WTD in preparation.

FRANCE—Automatic car-washing equipment, light and medium-duty, including portable pressure washers; self-service wash-systems (coin-operated and others); body-brushes; rinsers; wheel-washers; and modern high-speed auto-laundries for garage service station. Requests descriptive literature with price lists. Requests replies in French. Soceram (Etablissements) (dealers), 3 Avenue Paul-Sejourne; 31- Toulouse, Haute-Garonne. WTD in preparation.

PAKISTAN—Air conditioners, packaged room. Requests quotations, C. & F., Karachi. A.G. Enterprises (importer), 26 Bambino Chambers, Garden Rd., Karachi. WTD 4/67.

359 Machinery

AUSTRIA—Machinery, equipment and precision instruments of all kinds; agency to include planning, supervision of installation and servicing. Ing. Manfred Schmidsberger (agent), Mozartstrasse 49, A-4600 Wels. WTD in preparation.

360 Electrical machinery, equipment, supplies

GERMANY—New designs in high frequency electro-technical products. C.i.f. prices, catalogs, etc., requested. Exclusive representation. Heinrich Baumueller Fabrik fuer Elektrotechnik GmbH (manufacturer, distributor), Ostendstrasse 80, 85 Nuernberg 80. WTD 6/67.

362 Electrical industrial apparatus

NETHERLANDS—Electrical arc welders. Exclusive representation. Rollo N.V. (trading company), 10-12 Alexanderstraat, The Hague. WTD 7/67.

365 Radio, television receiving sets

UGANDA—Radio receivers for home entertainment. Mohamed Bros., Ltd. (manufacturers' agents), P.O. Box 27, Mbale. WTD 6/67.

366 Communication equipment

ETHIOPIA—Telecommunication equipment. Velissariou (Eth) Ltd. (importer, wholesaler, distributor, retailer), P.O. Box 123, Addis Ababa. WTD 2/25/66.

GERMANY—Data communication equipment, digital or analog. Elektronik Service GmbH (distributor, importer, exporter, sales agent), 6 Frankfurt/Main, Savignystr. 53. WTD 6/67.

371 Motor vehicles, motor vehicle equipment

PAKISTAN—Automobile spare parts accessories. Requests catalogs, quotations, C. & F., Karachi. A. G. Enterprises (importer), 26 Bambino Chambers, Garden Rd., Karachi. WTD 4/67.

381 Engineering, laboratory, scientific, research instruments

AUSTRIA—Wishes to supplement present sales program of drafting instruments, lettering decalcomania with related products new to Austrian market. Koh-I-Noor Hardtmuth A.G. (importer, wholesaler, manufacturers' representative), Liechtensteinstrasse 155, A-1091 Vienna. WTD in preparation.

382 Instruments for measuring, controlling, indicating physical characteristics

GERMANY—Nuclear analyzers, spectrometers, and other measuring instruments for scientific and research laboratories. Elektronik

Service GmbH (distributor, importer, exporter, sales agent), 6 Frankfurt/Main, Savignystr. 53. WTD 6/67.

386 Photographic equipment

NETHERLANDS—Electro-static photo-copying machines photo composing or letterhead machines, offset cameras, paper for photo-copying machines, other office and printers' duplicating machines. Exclusive representation for Netherlands. Kantoormachine-Import A. de Granada N.V. (importer, wholesaler), P.O. Box 304, The Hague. WTD 5/67.

393 Musical instruments, parts

UGANDA—Musical instruments. Mohamed Bros., Ltd. (manufacturers' agents), P.O. Box 27, Mbale. WTD 6/67.

394 Toys, amusements, sporting goods

ITALY—Toy trains, equipment; toys and games, except dolls and children's vehicles. Requests replies in Italian, French. Cartolibreria Moderna di Vincenzo Marotta (sales agent, retailer), 37 Via Piave, Siracusa. WTD 6/20/67.

395 Pens, pencils, office, artists' materials

AUSTRIA—Pencils, artists, supplies, related products to supplement own production. Koh-I-Noor Hardtmuth A.G. (importer, wholesaler, manufacturer, manufacturers' agent), Liechtensteinstrasse 155, A-1091 Vienna. WTD in preparation.

ITALY—Pens, mechanical pencils and pen points (ball-point pens). Requests replies in Italian, French. Cartolibreria Moderna di Vincenzo Marotta (sales agent, retailer, 37 Via Piave, Siracusa. WTD 6/20/67.

New Trade Lists

The Bureau of International Commerce has published the following Trade Lists of which mimeographed copies may be obtained by firms domiciled in the United States from BIC-916, Department of Commerce, Washington, D.C. 20230, and from Department of Commerce Field Offices. The price is $1 per list for each country. All are dated June.

American Firms, Subsidiaries and Affiliates—Switzerland.
Architects, Builders, Contractors and Engineers—Spain.
Business Firms—Ethiopia.
Chemicals—Importers and Dealers—Haiti.
Electronic Equipment, Electron Tubes and Other Electronic Components and Accessories—Importers, Dealers, and Manufacturers—Netherlands Antilles.
Fertilizers—Importers, Dealers, Manufacturers and Exporters—Algeria.
Oils (Animal, Fish, and Vegetable)—Importers, Dealers, Producers, Refiners and Exporters—Hong Kong.
Paints, Varnishes and Pigments—Importers, Dealers and Manufacturers—Ceylon.
Textile Industry—Philippines.

Visiting Buyers and Officials

Scheduled arrival dates and U.S. addresses indicated

FRANCE—Louis Blum, Manufacture Blancomme, 34 Rue de Mortillet, 38 Grenoble (Isere), **interested in licensing agreement with a manufacturer of metal cleaners, surface treatment.** July 2 via New York for one month. Itinerary: 7/17-18 Los Angeles c/o Duhl, 167 N. Alta Vista; 7/21 New Orleans c/o Sheraton-Charles Hotel, 215 St. Charles Ave.; 7/22-23 Miami c/o Saxony Hotel, Miami Beach; 7/24-26 Washington, D.C. c/o Frank, 506 Hermleigh Rd., Silver Spring, Md.; 7/27 Philadelphia c/o Sheraton Hotel, 1725 John F. Kennedy Blvd. or Rohon & Haas Co., Washington Square; 7/28-31 New York. WTD 5/67.

INDIA—Hans Raj Gupta, Mayor of Delhi and Chairman of the Organizing Committee, Indian International Trade & Industries, and B. D. Somani, President, All India Manufacturers Org., **will visit United States July 23 through Aug. 6 to promote the Indian International Trade & Industries Fair to be held in Madras Jan. 12-Feb. 17, 1968.** c/o Dept. of Commerce Field Offices en route; while in Washington c/o K. D. Sharma, First Secretary (Commercial), Embassy of India, 2107 Mass. Ave., N.W., Washington, D.C. Itinerary: 7/23-27 New York, 7/28-7/30 Washington, 7/31-8/1 Chicago, 8/2-3 San Francisco, 8/4-5 Los Angeles.

NEW ZEALAND—N. W. Hardley, Dir., Hardleys Ltd., P.O. Box 2171, Auckland 1, **interested in manufacturing under license plumbers' hardware lines, sheet metal production, metal presswork.** July 27 via Honolulu for 20 days. c/o Hole Puanui Apts., 228 Beach Walk, Honolulu, Hawaii 96815 or Bellevue Hotel, 505 Geary St., San Francisco, Calif. 94101. Itinerary: 7/27-8/5 Honolulu, 8/5-9 San Francisco, 8/9-15 Los Angeles. WTD 6/67.

TAIWAN—Z. C. Chang, Asst. Mgr., Shin Tay Hung Enterprise Co., 18-1 Yenping St., Kaohsiung, **interested in joint venture or technical assistance for establishig a synthetic rubber plant, a polyester plant, a plastic toy plant, also in finding a base for tuna fishing boats.** July 5 via Houston for three and a half months. c/o F. M. Chow, Lummus Co., 2707 Weslayan, Houston, Texas 77027 or c/o C. C. Yao, Div. of Chinese Petroleum Corp., Chinese Government Procurement & Service Mission, 61 Broadway, Suite 2115, New York, N.Y. 10006. Itinerary: 7/5-8/25 Houston, 8/26-29 Washington, D.C. 8/30-9/1 Philadelphia, 9/2-11 New York, 9/15-21 Buffalo, 9/22-25 Detroit, 9/26-27 Cincinnati, 9/28-30 Chicago, 10/1-3 Kansas City, 10/4-8 Tulsa, 10/9-11 Oklahoma City, 10/12-17 Los Angeles. WTD 4/17/67.

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505 Tel. 247-0311.

ANCHORAGE, ALASKA, 99501, 306 Lousaac-Sagn Building. Area Code 907 Tel. 272-6331.

ATLANTA, GA., 30303, 4th Floor, Home Savings Building, 75 Forsyth St., N.W. Area Code 404 Tel. 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301 Tel. 752-8460.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 South 20th St. Area Code 205 Tel. 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617 Tel. 223-2312.

BUFFALO, N.Y., 14203, 504 Federal Building, 117 Ellicott St. Area Code 716 Tel. 842-3208.

CHARLESTON, S.C., 29403, Federal Building—Suite 631, 334 Meeting St. Area Code 803 Tel. 747-4171.

CHARLESTON, W. VA., 25301, 3002 New Federal Office Building, 500 Quarrier St. Area Code 304 Tel. 343-6196.

CHEYENNE, WYO., 82001, 6022 Federal Building, 2120 Capitol Ave. Area Code 307 Tel. 634-5920.

CHICAGO, ILL., 60604, 1486 New Federal Building, 219 South Dearborn St. Area Code 312 Tel. 353-4400.

CINCINNATI, OHIO, 45202, 8028 Federal Office Building, 550 Main St. Area Code 513 Tel. 684-2944.

CLEVELAND, OHIO, 44101, 4th Floor, Federal Reserve Bank Building, East 6th St. and Superior Ave. Area Code 216 Tel. 241-7900.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214 Tel. 749-3287.

DENVER, COLO., 80202, 16419 Federal Building, 20th and Stout Sts. Area Code 303 Tel. 297-3246.

DES MOINES, IOWA, 50309, 1216 Paramount Building, 509 Grand Ave. Area Code 515 Tel. 284-4222.

DETROIT, MICH., 48226, 445 Federal Building. Area Code 313 Tel. 226-6088.

GREENSBORO, N.C., 27402, 412 U.S. Post Office Building. Area Code 919 Tel. 275-9111.

HARTFORD, CONN., 06102, 18 Asylum St. Area Code 203 Tel. 244-3530.

HONOLULU, HAWAII, 96813, 202 International Savings Building, 1022 Bethel St. Tel. 588-977.

HOUSTON, TEX., 77002, 5102 Federal Building, 515 Rusk Ave. Area Code 713 Tel. 228-0611.

JACKSONVILLE, FLA., 32202, 512 Greenleaf Building, 208 Laura St. Area Code 904 Tel. 354-7111.

KANSAS CITY, MO., 64106, Room 2011, 911 Walnut St. Area Code 816 Tel. 374-3141.

LOS ANGELES, CALIF., 90015, Room 450, Western Pacific Building, 1031 South Broadway. Area Code 213 Tel. 688-2833.

MEMPHIS, TENN., 38103, 345 Federal Office Building, 167 North Main St. Area Code 901 Tel. 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305 Tel. 350-5267.

MILWAUKEE, WIS., 53203, Straus Building, 238 West Wisconsin Ave. Area Code 414 Tel. BR. 2-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Building, 110 South Fourth St. Area Code 612 Tel. 334-2133.

NEW ORLEANS, LA., 70130, 909 Federal Office Building, South, 610 South St. Area Code 504 Tel. 527-6546.

NEW YORK, N.Y., 10001, 61st Floor, Empire State Building, 350 Fifth Ave. Area Code 212 Tel. 563-3377.

PHILADELPHIA, PA., 19107, Jefferson Building, 1015 Chestnut St. Area Code 215 Tel. 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Building, 230 North First Ave. Area Code 602 Tel. 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Building, 1000 Liberty Ave. Area Code 412 Tel. 644-2850.

PORTLAND, OREG., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503 Tel. 226-3361.

RENO, NEV., 89503, 2028 Federal Building, 300 Booth St. Area Code 702 Tel. 784-5203.

RICHMOND, VA., 23240, 2105 Federal Building, 400 North 8th St. Area Code 703 Tel. 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Building, 1520 Market St. Area Code 314 Tel. 622-4243.

SALT LAKE CITY, UTAH, 84111, 3235 Federal Building, 125 South State St. Area Code 801 Tel. 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Building, Box 36013, 450 Golden Gate Ave. Area Code 415 Tel. 556-5864.

SANTURCE, P.R., 00907, Room 628, 605 Condado Ave. Phone: 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Building, 125-29 Bull St. Area Code 912 Tel. 232-4321.

SEATTLE, WASH., 98104, 809 Federal Office Building, 909 First Ave. Area Code 206 Tel. 583-3615.

Leads for Importers

Commodities are offered direct unless specified

208 Beverage industries

SPAIN—Fine table wines, original Spanish sherry. Desires to appoint exclusive representative for U.S., with exception of New York City. Vasco Cantabra, S.A. (importer, exporter), Barbara de Braganza 7, Madrid (4). WTD 5/23/66.

242 Sawmills, planing mills

FRANCE—Gunstocks (walnut blanks) for rifles (sport, other uses), French walnut wood, sawed, for shipbuilding; furniture manufacturers. Sales agent sought by firm for section of U.S. on Pacific coast, preferably in vicinity of San Francisco. Rouleau Freres & Cie (wholesaler), 1-7 Cours Saint-Georges; 24-Perigueux, Dordogne. WTD in preparation.

306 Fabricated rubber products

AUSTRIA—Rubber flooring for stables. F. Haberkorn (importer, exporter, wholesaler, manufacturer, manufacturers' representative), Quellenstrasse 16, A-6901 Bregenz. WTD in preparation.

314 Footwear, except rubber

FRANCE—Boots and shoes, for men and women, street, work, and sport wear, including welded shoes, fur-lined bootees and ankle-boots, calfskin, rugged and comfortable-style articles. Wholesale exportation, direct or through well-established U.S. agents. Illus-

trated leaflet available on loan from Trade Opportunities Staff, BDSA-624, Rm. 4203, U.S. Dept. of Commerce, Washington, D.C. 20230. Chaumeil (Etablissements) (manufacturer, wholesaler, exporter), 38 Boulevard de la Republique; 47- Agen, Lot-et-Garonne. WTD in preparation.

323 Glass products

FRANCE—Plate-glass mirrors for home decoration, in various sizes and styles, including 'de luxe' and fancy articles, ornate wall-mirrors, others; also glass-top tables for cocktail, apartment decoration. Requests replies in French. Broquart & Cie (Miroiterie) (manufacturer), 68-72 Cours Le Rouzic; 33- Bordeaux-Bastide, Gironde. WTD 6/67.

345 Screw machine products

NORWAY—Shackles, forged, acid-resistant anti-magnetic for maritime use, other forged components of stainless acid-resistant steel for aircraft, engine, atomic reactor industries. P. Petersen Smed & Mek. Verksted A/S (manufacturer), Sandviksvei 18, Bergen. WTD 6/67.

355 Special industry machinery

FRANCE—Food products machinery and kitchen equipment for institutions, hotels, restaurants, commercial uses, related machines for pastry shops and bakeries, such as potato-peelers; beaters-mixers; meat-choppers and meat-mincing machines; scrapers for fishmongers, others. Automatic equipment equipped with electric motors; capacity 1 to 30 kilograms per machine. Catalogues, price lists will be mailed upon request. Illustrated brochure in French available on loan from Trade Opportunities Staff, BDSA-624, Rm. 4203, U.S. Dept. of Commerce, Washington, D.C. 20230. SAMA (manufacturer, exporter), 23 - Aubusson, Creuse. WTD in preparation.

Sudan invites tenders on diesel shed complex

The Controller of Stores, Sudan Railways, Atbara, invites tenders for the supply of new diesel shed for Wadi Halfa to meet the following specifications: a one span shed 150′-0″ in length centre to centre of masonry end walls and width of 60′-0″ centre to centre of masonry side walling. Height from floor level to eaves is 20′-0″; the design to be in accordance with B.S.S. No. 449 (1959) and drawing No. B-1668/66.

Bids must be submitted in triplicate accompanied by not less than 2% deposit and must be received in the Office of the Controller of Stores, Atbara, not later than 12 p.m. on Tuesday, July 25, in sealed and stamped envelopes marked "Tender for Supply of New Diesel Shed for Wadi Halfa". For firms established abroad, bids and deposits may be sent to Sudan Govt. Purchasing Agent, 3-5 Cleveland Row, St. James's, London, S.W.1.

Terms and specifications are available on a loan basis from the Building Materials & Construction Industries Div., BDSA, Rm. 4014, U.S. Dept. of Commerce, Washington, D.C. (Telephone: 202-WO 7-4272). Interested firms should correspond either with the above London address or directly with the Controller of Stores, Sudan Railways, Atbara.

Future Construction

For maximum assistance to those interested in overseas construction projects, U.S. Foreign Service officers report them as soon as possible, often in early planning stages. Some may not reach completion as originally proposed. In such cases additional information is published as it is obtained.

AUSTRALIA—Final plans for **a fertilizer and pipeline complex to be built in the Brisbane area have been approved.** The agreement was officially signed on June 1, by the Queensland Govt. & Austral Pacific Fertilizer, Ltd., which cleared the way for the construction of the $40 million fertilizer plant at Brisbane. The new fertilizer complex is to be situated on Gibson Island, a gourd-shaped neck of land lying between the Brisbane River and Doboy Creek about eight miles from the center of Brisbane towards the mouth of the river. Natural gas to be used in the production of nitrogenous fertilizer (ammonia and urea) will come from the natural gas field near Roma, Queensland, located about 180 miles west of Brisbane. Construction of the new pipeline necessary to provide this gas is estimated in the vicinity of $11 million.

Construction at the plant site, which will involve administrative buildings, docks, warehousing and packaging facilities in addition to the plant proper, is expected to begin in the near future. Little has been published so far on the plant capacity, but it has been suggested that after production starts, daily output will be in the vicinity of 700 tons each of ammonia and urea. A second stage of construction to begin after production has begun is planned and is expected to cost between $20 and $25 million.

Austral Pacific Fertilizer, Ltd., the new company formed to undertake the project, has as its main participants the Dow Chemical Co., Swift & Co. and the Skelly Oil Co.

IVORY COAST—San Pedro, a new $20 million port soon to be begun in the southwest, will be a significant boost to Ivory Coast's lumber industry by reducing transportation costs, and in addition will encourage the development of the entire southwest area. The port will be completed in stages the first scheduled to be operational in 1970, and will handle 750,000 tons per year. As later stages are completed, the total will grow to two million tons per year. Bids are expected to be received within two or three months, and work on the $10 million first portion of the project will begin in Nov. or Dec.

Financing for this $10 million effort (first section only) is being undertaken jointly by the Ivory Coast, Germany, France, and one other European Economic Community (EEC) member not as yet confirmed.

The second and third sections of the port of San Pedro are scheduled to be built in the early and mid-1970's respectively. These sections, costing an additional $10 million each, will add 12 new deep-water quays. The availability of these quays is expected to coincide with the period when the wood industry will be reducing exports in log form, and begin shipping semi-finished boards. These boards will have to be loaded from regular dock space, rather than from floating basins. In addition, construction of a fishing quay, a pleasure craft area, and a mineral port is planned, as well as the widening and deepening of the basin area. Traffic estimates, upon completion of the entire project (around 1980), are about 2-2.5 million tons per year plus 50,000 tons of fish.

PARKISTAN—The Govt.'s Planning Com. has issued a revised edition of "The Third Five Year Plan, 1965-1970". This 517-page publication consists of two parts: The Five Year Plan, and revised phasing, sectoral priorities and allocations approved by the National Economic Council in Dec. 1966. The Plan deals with plans in physical infrastructure, e.g., water and power, transport and communications, and housing. Other sections cover social infrastructure and production programs.

A copy of the revised Plan may be reviewed at the offices of the Trade Opportunities Staff, BDSA-624, U.S. Dept. of Commerce, Washington, D.C. (Telephone: 202-WO 7-4674), or purchased for Rs. 11.75 ($2.46) from the Mgr. of Publications, Govt. of Pakistan Press, Karachi.

New Zealand calls for microwave TV supplies

New Zealand Broadcasting Corp. has issued Tender No. M584, for supply of Microwave Television Relay Equipment between Hamilton TV Studio and the Te Aroha TV Transmitter.

Bid deadline is 4 p.m. September 1.

Bid should offer a single hop television microwave system to operate in the 7 GHz band with a diplexed sound channel.

The equipment shall operate with a transmitted center frequency of 7180 MHz.

The equipment shall be capable of transmitting and receiving an NTSC type color television signal based on the CCIR 625 line 50 fields per second monochrome television standard.

Parabolic Antennas and wave guides will also be required.

Copies of tender announcement and specifications are available from the New Zealand Broadcasting Corp., P.O. Box 98, Wellington, New Zealand, or on a short term loan basis to firms located in the United States from the Electronics Div., BDSA-658, Rm. 4125, U.S. Dept. of Commerce, Washington, D.C. 20230 (Telephone: 202-WO 7-2328).

Burma Public Works Head asks bids on steel conduit needs

The Vice Chairman, Public Works Corp., No. 60 Shwedagon Pagoda Rd., Dagon P.O., Rangoon has asked for bids by Aug. 3 on 35,000 ft. of steel conduit ¾″ to 2″ diameter, 13 to 15 S.W.G. wall thickness, as well as fittings. Also in the tender, No. 016/T/EL/PWC/66-67, are junction boxes, lock nuts, saddles, tube ends, bushes, wall-type three gallon water heaters, insulators, condensers, holder lamps, bell transformers, buzzers, switches and other items. A copy of the tender documents is available to firms domiciled in the United States from the Iron & Steel Div., BDSA-642, Dept. of Commerce, Washington, D.C. 20230. (Telephone: 202-WO 7-2363).

New Books and Reports

***Report on Guyana.* Published by Latin American Report, Inc. New Orleans. 1966. 33pp. $1.**

This article appeared in Vol. VI, the Nov.-Dec. issue of *Latin American Report*. It describes the geography, people, government, natural resources, and principal industries of the first new nation in Latin America for more than 50 years.

In an interview, the Prime Minister answers questions about the new country, with particular emphasis upon its attitude toward foreign investment.

Write: Latin American Report, Inc., International Trade Mart; New Orleans, La. 70116.

***Mexico's Foreign Trade and Economic Development.* By William O. Freithaler. Published by Frederick A. Praeger. New York. 1967. 175pp. $12.50.**

Mexico's experience shows that an underdeveloped country can achieve a rapid and sustained rate of growth in spite of trade difficulties. Four major factors in Mexico's successful experience are analyzed in this book: her commodity terms of trade, the import substitution process, her reliance on capital imports, and the performance of particular export-oriented industries.

Dr. Freithaler, who is on the economics faculty at the University of Virginia, also discusses the trade-gap hypothesis—that underdeveloped countries cannot acquire enough foreign exchange to service their irreducible import needs under existing arrangements in world commerce. The book was published in cooperation with the University of Michigan Graduate Research Seminar in International Economics.

Write: Frederick A. Praeger, Publishers, 111 Fourth Ave., New York, N.Y. 1003.

New supplements for Export Schedule

Recently issued *Current Export Bulletins* cover such subjects as export licensing authority over U.S. coins containing silver, request for waiver of documentation for certain reexports, revision of commodity control list, and exports of technical data supporting a quotation, bid or offer.

The *Bulletins* are issued frequently to update the Department of Commerce's *Comprehensive Export Schedule*, which contains U.S. export control regulations and policies. Published annually in loose-leaf form, the *Schedule* is priced at $7 for an annual subscription. *Bulletins* are included in each subscription, or may be obtained at 25 cents each from any Dept. of Commerce field office or the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

***Overseas Business Reports.* U.S. Department of Commerce. Washington, D.C. 1967. $13 per year ($5 additional for overseas mailing), 15 cents per copy.**

Foreign Trade Regulations of Turkey. OBR 67-29. This report covers trade policy, import tariff system, special customs provisions, internal taxes, shipping documents, marking and labeling requirements, non-tariff import controls, Turkey's export controls, U.S. controls and government representation.

Foreign Trade Regulations of the Somali Republic. OBR 67-30. Information on topics listed above included for the Somali Republic.

Establishing a Business in the Netherlands. OBR 67-31. Investment climate, legislation governing investment, business organization, industrial property protection, employment, taxation, availability of capital, basic economic facilities and investment information services are discussed in this report.

Write: any Dept. of Commerce field office or Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

***Setting up in Britain.* Published by Midland Bank Ltd. London. 1967. 36pp. Free.**

This booklet provides information on: exchange control, forming a limited company, United Kingdom taxation, raising capital, labor, controls on trade and banking services for potential investors in Britain.

Write: Mr. J. E. T. English, 44 Wall St., New York, N.Y. 10005.

***International Trade, Investment and Organization.* Edited by Wayne R. LaFave and Peter Hay. Published by University of Illinois Press. 1967. 506pp. $7.50.**

This comprehensive study provides pertinent information on current practical problems of international trade, its regulation by regional international organizations, and the impact of these organizations on the development of uniform standards and legal norms.

Write: University of Illinois Press, Urbana, Ill. 61801.

***State Trademark Statutes.* Published by the U.S. Trademark Assn. New York. 1967. 345pp. $15.**

A loose-leaf book of trademark statutes for the fifty states has just been published. Reference information is included for the major provisions as they relate to registration, renewal and assignment requirements for each of the states, as well as fees of the various legal steps.

At the close of the legislative year replacement sheets reflecting amendments to the statutes and supplements will be offered to subscribers.

Write: U.S. Trademark Assn., 6 East 45th St., New York, N.Y. 10017.

New Customs Journals

The following new International Customs Journals are available at the standard price of $3 for hard cover, 65c for microfiche:

Benelux	PB 170 849-2
Gilbert & Ellice Islands	PB 174 906
Ireland	PB 174 889
Malagasy Republic	PB 173 872-1
Philippines	PB 173 296-2
Portugal	PB 174 309-1
Seychelles	PB 174 891
Sweden	PB 174 893
Switzerland	PB 169 265-2
United States	PB 169 293-2
Virgin Islands	PB 174 892

Write: Clearinghouse for Federal Scientific & Technical Information, U.S. Department of Commerce, Springfield, Va. 22151. (Attn: Code 410.11).

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Calendar *for international traders*

DALLAS—July 25—In-Office Workshop, 2 p.m., Field Office. Sponsors: REEC; Commerce Field Office.

DETROIT—July 25—Export Marketing Workshop, 9:15 a.m., Federal Bldg. Sponsors: REEC; Commerce Field Office.

DETROIT—July 27—Businessmen's Consultation, **James Ashida, Economic Officer, Washington/to Khartoum.** Sponsor: Commerce Field Office.

DETROIT—Aug. 14-15—Businessmen's Consultation, **Monroe E. Aderhold, Commercial Officer, Calcutta.** Sponsor: Commerce Field Office.

HONOLULU—July 24—Businessmen's Consultation, **Robert Bushnell, Commercial Attache, New Delhi.** Sponsor: Commerce Field Office.

HONOLULU—July 24—"Practical Organization Model Project" class, 9 a.m., Chaminade College. Sponsor: Chaminade College.

KANSAS CITY, Mo.—July 27—In-Office Workshop for New Exporters, Federal Office Bldg. Sponsors: REEC; Commerce Field Office.

KANSAS CITY, Mo.—Aug. 10—In-Office Workshop for New Exporters, Federal Office Bldg. Sponsors: REEC; Commerce Field Office.

LOS ANGELES—July 28—Export Expansion Seminar at the U.S. Commerce Dept.'s Los Angeles Field Office. Sponsor: Commerce Field Office.

LOS ANGELES—Aug. 14—Businessmen's Consultation, **Ronald A. Webb, Economic-Commercial Officer, Madrid.** Sponsor: Commerce Field Office.

LOS ANGELES—Aug. 18—Businessmen's Consultation, **Monroe E. Aderhold, Commercial Officer, Calcutta.** Sponsor: Commerce Field Office.

MILWAUKEE—Aug. 1—Milwaukee World Trade Club Annual Outing, River Oaks Country Club, Mequon. Sponsor: World Trade Club.

NEW YORK—July 25-26—Businessmen's Consultation, **Richard Kirby, Commercial Attache, Washington/to Paris.** Sponsor: Commerce Field Office.

Notice

To publicize local events concerning foreign trade in the "Calendar for International Traders," information should be submitted to this magazine at least 2 weeks before the date of the issue in which it appears. Please include time, place, sponsoring organization and special topic, if applicable. Meetings must be open to the public in order to be publicized in this space.

Write:
Editor,
International Commerce
Bureau of International Commerce
U.S. Department of Commerce
Washington, D.C. 20230.

NEW YORK—July 26-27—Businessmen's Consultation, **Douglas Ballentine, Commercial Attache, Mexico.** Sponsor: Commerce Field Office.

NEW YORK—Aug. 1-2—Businessmen's Consultation, **Kenedon P. Steins, Commercial Attache, Washington/to Buenos Aires.** Sponsor: Commerce Field Office.

NEW YORK—Aug. 22-23—Businessmen's Consultation, **Stephen Duncan-Peters, Commercial Attache, Stockholm.** Sponsor: Commerce Field Office.

PHILADELPHIA—July 24—Patent Cooperation Treaty Conference, Franklin Institute. Speakers: Gerald D. O'Brien, Asst. Commissioner, Patents; **Vincent D. Travaglini, Director, Foreign Business Practices DIV., BIC;** David B. Allen, Acting Director, Office of International Patent & Trademark Affairs. Sponsors: U.S. Patent Office, Commerce Field Office.

PHILADELPHIA—July 24—Businessmen's Consultation, **Alexander Davit, Commercial Counselor, Paris.** Sponsor: Commerce Field Office.

PHILADELPHIA—July 31—Businessmen's Consultation, **Kenedon P. Steins, Commercial Attache, Washington/to Buenos Aires.** Sponsor: Commerce Field Office.

PORTLAND, Ore.—Aug. 11—Businessmen's Consultation, **Ronald A. Webb, Economic-Commercial Officer, Madrid.** Sponsor: Commerce Field Office.

PORTLAND, Ore.—Aug. 15-16—Businessmen's Consultation, **John Gregory, Jr., Commercial Officer, Nagoya.** Sponsor: Commerce Field Office.

SAN FRANCISCO—Aug. 3—Businessmen's Consultation, **Stephen Duncan-Peters, Commercial Attache, Stockholm.** Sponsor: Commerce Field Office.

SEATTLE—July 27—Businessmen's Consultation, **Stephen Duncan-Peters, Commercial Attache, Stockholm.** Sponsor: Commerce Field Office.

SEATTLE—Aug. 17—Businessmen's Consultation, **Monroe E. Aderhold, Commercial Officer, Calcutta.** Sponsor: Commerce Field Office.

SEATTLE—Aug. 8—Businessmen's Consultation, **John Gregory, Jr., Commercial Officer, Nagoya.** Sponsor: Commerce Field Office.

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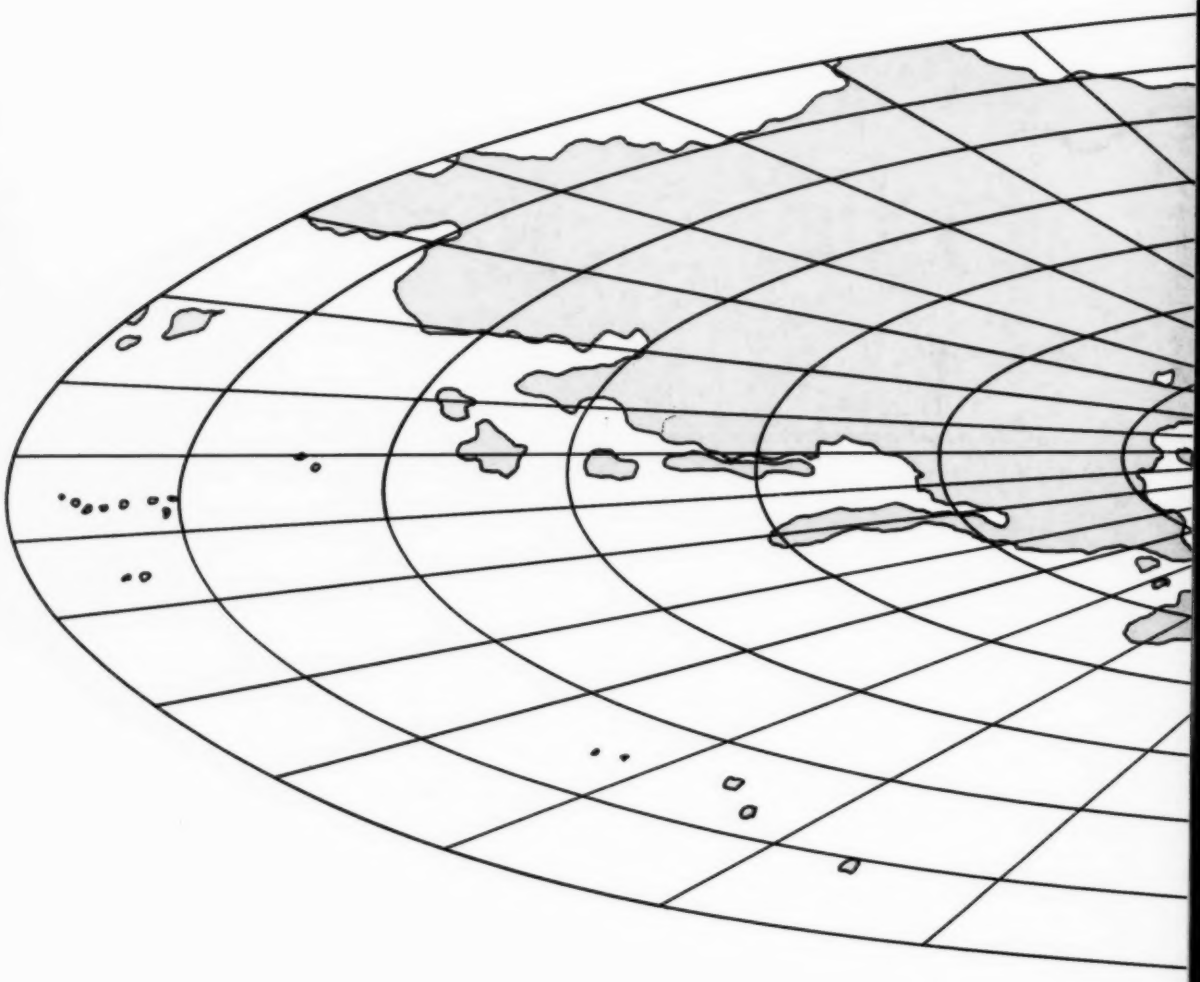
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